

10-1990

# Summary of the 1990 Legislative Session

Senate Republican Fiscal Consultants

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# **SUMMARY OF THE 1990 LEGISLATIVE SESSION**



**Senate Republican Fiscal Consultants  
California State Senate  
October 1990**

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# California Legislature

## Senate Republican Fiscal Consultants

COMMITTEES ON APPROPRIATIONS  
AND  
BUDGET AND FISCAL REVIEW

October 9, 1990

MEMO TO: Members and Staff, Senate Republican Caucus  
FROM: Senate Republican Fiscal Consultants  
SUBJECT: 1990 Legislative Wrap-up

This document is a summary of major fiscal legislation considered during the 1990 legislative session. It contains bills that were being considered for passage in the final weeks of the session. Although most of the bills in this summary are fiscal, some nonfiscal bills are included because they are notable from a policy standpoint.

The 1990 session continued the recent trend of increasing volumes of legislation. The Governor received a total of 2,143 measures. He signed 1,696 of these, allowed 11 to become law without his signature, and vetoed 436 others -- a record number of vetoes in a single year. The previous record was the 1988 Session when the Governor vetoed 372 bills.


During his eight years in office, the Governor vetoed a total of 2,299 bills--more than the combined total of his two predecessors. That figure represents a rejection rate of 15.1% of the bills submitted to him by the Legislature. The governor signed into law 12,526 out of the 14,825 bills sent to him.

We hope this is a useful reference document for Senate Republican Caucus members, as well as for district and capital office staff. Please call with any comments or questions at (916) 323-9221 or ATSS 8-473-9221.

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## **1990-91 BUDGET PACKAGE**

### **SB 899 (Alquist): Budget Act of 1990 Chapter 467**

The budget provides for total expenditures of \$54.8 billion in 1990-91, including \$42.0 billion from the General Fund, \$8.8 billion from special funds, and \$3.9 billion from bond funds. This spending level reflects Governor's vetoes totaling \$1,017 million. The vetoes include \$264 million set aside for K-14 education legislation, \$284 million for welfare and other COLAs per the leadership agreement on the budget, and \$469 million in other reductions.

### **Bills to Effect Budget Savings**

#### **AB 160 (Polanco) and SB 2268 (Bergeson): Redevelopment Agencies Chapters 449 and 1350**

AB 160 reduces special supplemental subventions paid to redevelopment agencies by 25 percent in 1990-91. The measure further requires that 50 percent of 1990-91 subventions be paid in 1991-92. SB 2268 exempts from these reductions those agencies which have pledged these subventions as security in its bond instruments.

#### **AB 3573 (Baker) and SB 2097 (Maddy): Health and Welfare Programs Chapters 456 and 457**

These measures suspend the 1990-91 statutory cost-of-living adjustments for four programs: Aid to Families with Dependent Children (AFDC), Supplemental Security Income/State Supplementary Program (SSI/SSP), the AB 8 County Health Services Program, and the maximum grant amount under the In-Home Supportive Services (IHSS) program.

The bills also authorize the Department of Health Services to reduce provider mark-up and dispensing fees for Medi-Cal incontinence supply purchases, and establish expedited procedures for the addition and deletion of drugs from the Medi-Cal drug formulary, thereby facilitating the negotiation of rebate contracts with manufacturers.

**SB 577 (Maddy): Anti-Drug Superfund**  
**Chapter 1041**

This bill provides that appropriations of funds from the Anti-Drug Superfund would be made pursuant to the annual budget act and other legislation. The bill would become effective if the voters approve Proposition 129 on the November 6, 1990 ballot.

**SB 1333 (Dills): Local Mandates**  
**Chapter 459**

This bill provides that state mandated local programs are optional in any year in which the state does not provide funding. The bill also defers state reimbursement of specified state mandated local programs until the 1991-92, 1992-93, and 1993-94 fiscal years.

**SB 1370 (C. Green): State Teachers' Retirement System**  
**Chapter 460**

This bill replaces state contributions to the State Teachers Retirement System established by AB 8 (L. Greene, 1979) with an amount equal to 4.3 percent of the prior year's payroll for all STRS members. The bill also defers the 1990-91 state contribution by refinancing it over a 40 year period.

**SB 1809 (Kopp): Public Employee Retirement**  
**Chapter 463**

This bill changes the state's contributions to the Public Employees Retirement System (PERS) from monthly to quarterly, allows the PERS Board to increase the amortization period for the existing unfunded liability, and allows the PERS Board to temporarily reduce the Reserve Against Deficiencies.

**SB 2319 (Alquist): Renters Tax Credit**  
**Chapter 464**

This bill reduces the renters' tax credit for joint and head of household filers from \$137 to \$120.

**SB 2454 (Royce): Welfare Fraud Detection  
Chapter 465**

This bill requires statewide implementation of the Early Fraud Prevention and Detection (FRED) program, relating to the administration of the AFDC and food stamp programs. The bill appropriates \$2.3 million for county start-up costs.

**SB 2557 (Maddy): Local Government Fiscal Affairs  
Chapter 466**

This bill makes a number of changes in local government financing authority. Specifically, the bill:

- \* Suspends the 1990-91 statutory COLA for trial court funding, and permanently reduces the state block grant by 10 percent.
- \* Permanently reduces the amount of property tax revenue transferred from counties to no- and low-property tax cities by 10 percent.
- \* Authorizes counties to charge other agencies for the cost of booking prisoners into county detention facilities.
- \* Authorizes counties to charge cities, school districts, and special districts a fee for the cost of administering the property tax system.
- \* Authorizes counties to levy business license and utility user taxes in unincorporated areas, subject to voter approval.

**Tax and Fee Revenue Bills**

**AB 116 (Floyd): Apprenticeship Standards Fee  
Chapter 451**

This bill authorizes the Department of Industrial Relations to establish a fee on participants in and sponsors of the Apprenticeship Standards program.

**AB 274 (Isenberg): Federal Income Tax Conformity  
Chapter 452**

This bill conforms state income tax law to a number of major federal changes made in 1987, 1988, and 1989, particularly those



relating to long term contracts, installment sales, and treatment of retirement pay reserves. All of these changes result in \$561 million in increased revenue for 1990-91, and lesser amounts in subsequent years.

**AB 1109 (Katz) and AB 2561 (Katz): Out-of-State Vehicle Fee  
Chapters 453 and 1362**

These bills assess a one-time \$300 impact fee on out-of-state vehicles which are newly registered.

**AB 2419 (O'Connell): Pesticide Fees  
Chapter 1679**

This bill increases the pesticide mill tax (currently \$0.009 per dollar sold) to \$0.018 per dollar sold. The tax is levied on all pesticides sold in California, thereby offsetting the General Fund cost of pesticide regulation. The fee increases sunset in two years.

**AB 3460 (Margolin): Vital Records Fees  
Chapter 1030**

This bill increases fees paid to the state which are charged for birth, death, and marriage certificates by \$1. This provision sunsets 1/1/92.

**SB 57 (Lockyer) and SB 1186 (Robbins): Unclaimed Property Escheat  
Chapters 450 and 1069**

SB 57 shortens the bank holding (escheat) period for dormant accounts from 5 years to 3 years. SB 1186 exempts from this change bank drafts or certified checks.

**SB 1806 (Torres): Water Fees  
Chapter 462**

SB 1806 requires large public water systems to pay an annual fee of fifty cents for each service connection. This fee revenue offsets General Fund support for state regulation of drinking water quality.

**SB 1955 (Alquist): Fire Protection Fees**  
**Failed Passage in Assembly**

This bill would have required owners of certain buildings located in State Responsibility Areas to pay a fire protection fee, not to exceed \$10 per building.

**SB 2319 (Alquist): Income Tax Withholding**  
**Chapter 464**

This bill requires escrow agents to withhold 3-1/3% from the purchase price on real estate transactions involving sellers with out-of-state addresses.

**Bills To Restore Budget Reductions or Vetoes**

**AB 2433 (M. Waters): County Justice Subventions**  
**Vetoed**

This bill would have appropriated \$33 million from the General Fund to the Department of the Youth Authority for allocation to counties for the purposes of the County Justice System Subvention Program. These funds were vetoed by the Governor.

**AB 2813 (Floyd): Defense of Indigents**  
**Vetoed**

This bill would have appropriated \$13 million from the General Fund to the State Controller for payment to counties for the defense of indigents accused of capital crimes. These funds were eliminated in the leadership agreement on the budget.

**AB 3282 (Bates): Child Welfare Services**  
**Chapter 1225**

This bill appropriates the unexpended balance which could be as much as \$11 million in the Restitution Fund to the Department of Social Services to increase funding for the Child Welfare Services program, which provides services to abused and neglected children. The Governor originally vetoed \$55 million from the program.



**AB 4055 (M. Waters): Child Abuse Prevention Training  
Vetoed**

This bill would have appropriated \$11.5 million from the Child Abuse Prevention Account to the Office of Criminal Justice Planning for support of the Child Abuse Prevention Training program. Revenues to the Child Abuse Prevention Account would be increased by transferring from Section A of the State School Fund an amount equal to the penalties and interest on property tax redemptions received by school districts and county offices of education which had not previously reported such amounts as property tax revenue.

Funds for this program were eliminated in the Governor's January Budget proposal. Subsequently, they were augmented by the Budget committee and again eliminated by the Governor's blue pencil in the final budget bill.

**SB 62 (Ayala): State Mandated Programs  
Vetoed**

This bill would have reinstated as state mandated local programs those statutes relating to the filing of missing persons reports and notice of open meetings, thereby entitling local agencies to receive reimbursement from the state for costs incurred pursuant to those mandated programs. These two mandated programs, along with others, were effectively repealed by SB 1333 (Dills).

**SB 1409 (Presley): Indigent Health/Mental Health  
Chapter 1323**

The leadership agreement on the 1990-91 budget reduced funding for Medically Indigent Services by \$150 million, including \$138 million for the Medically Indigent Services Program (MISP) and \$12 million for the County Medical Services Program (CMSP). Under current law, the reduction in MISP funding to the City and County of San Francisco would be \$7.5 million. It is estimated that San Francisco can generate only \$1.5 million from the new revenue authority provided by SB 2557 (Maddy), due to San Francisco's unique governance structure. San Francisco officials believe that reductions of this magnitude would have a severe adverse impact on indigent health care programs.

SB 1409 recognizes the unique circumstance facing San Francisco by reallocating \$5.5 million in MISP funding from the other 25 MISP counties and from the CMSP program to partially offset San Francisco's MISP reduction. After this

reallocation, San Francisco's funding reduction would be \$2 million, which is \$500,000 in excess of its estimated SB 2557 revenues.

The Governor vetoed a total of \$70 million for mental health programs, including \$61 million from county programs and \$9 million from other programs. Under current law, the reduction in funding for five counties -- San Francisco, Marin, Napa, San Mateo, and Solano -- exceeds 25 percent. The counties have agreed to limit the reductions for all counties to 25 percent.

SB 1409 appropriates a total of \$23 million to the Department of Mental Health to partially restore these funds. This includes \$5 million in Proposition 99 funds, \$2.7 million in federal child abuse funds, and \$15.3 million in reversions from various budget acts. Of the total, about \$12 million is actually available.

The bill allocates funds as follows:

1. \$9 million to Marin, Napa, San Francisco, San Mateo, and Solano Counties. This allocation limits these counties' cuts to 25 percent below 1989-90 levels.
2. \$1.7 million to Riverside County for a children's services pilot project.
3. \$1.5 million for the AB 377 pilot projects for seriously mentally disordered adults.
4. \$2.0 million for mental health treatment for wards and dependents, pursuant to SB 370 (Presley).
5. The balance, if any, to all counties pursuant to current statutory formulas.

#### **Other Measures**

##### **AB 2563 (Vasconcellos): 1989-90 Deficiencies Chapter 191**

This bill appropriates \$332.4 million from the General Fund for the cost of deficiencies in the 1989-90 fiscal year.

##### **ACR 188 (W. Brown): Fiscal Affairs Resolutions Chapter 177**

This bill requires the Joint Legislative Budget Committee to present to the Legislature by January 1, 1991 alternative proposals for the revision of the constitution and other laws relating to state and local government fiscal affairs. The bill also directs the fiscal committees of the Legislature to refrain from approving significant fiscal legislation prior to enactment of the budget bill, and directs the fiscal committees to recommend annually the adoption of a budget resolution containing appropriations targets for the respective budget subcommittees. The bill finally requests the candidates for the office of Governor to designate representatives to commence discussions with the legislative and executive branches on the state's current fiscal condition.

**SB 1744 (Hart) and AB 4276 (Baker): Accounting Changes  
Chapters 461 and 1238**

This bill requires the State Controller to count encumbrances as expenditures only when the goods or services are delivered to the state, and specifies that the unencumbered balance of appropriations shall not be deducted from the General Fund balance.

**SB 1783 (Beverly), AB 2348 (W. Brown), and AB 756 (Isenberg):  
The "Trigger"  
Chapters 455, 458 and 1209**

This bill establishes a mechanism for reducing spending on an across-the-board basis. This so-called "trigger" would be activated in future years if the Director of Finance determines that state revenues would be at least one-half of one percent less than the cost of funding a workload budget, as defined. These reductions would not exceed 4 percent. K-14 education programs funded from Proposition 98, debt service, the homeowners' exemption, and state reimbursement for mandated local programs would be exempt from this reduction.

**K-12 EDUCATION  
Consultant: Glee Johnson**

For specific information about restoration of the Governor's education vetoes, or lack thereof, see:

- o AB 87 (O'Connell): Year-Round Incentive Funding,

- o AB 2709 (Campbell): Indian Education,
- o SB 79 (L. Greene): Cost-of-Living Adjustment,
- o SB 964 (Garamendi): California Assessment Program,
- o SB 1274 (Hart): Restructuring,
- o SB 1446 (Presley): Community Colleges, and
- o SB 1736 (Dills): Driver Training.

For a discussion of the lack of agreement on a compromise regarding class size reduction and COLAs, see the education funding memo distributed to caucus members on 9/11/90.

**AB 25 (Hughes): AIDS Education  
Vetoed**

Would have required AIDS prevention instruction for students in grades 7-12 at least once in junior high school and once in senior high school. Would have allowed parents to request that their children not receive instruction.

**AB 87 (O'Connell): Year-Round Incentive Funding  
Chapter 1261**

Restores \$27 million in funding vetoed by the Governor for year-round schools. The bill provides the cost savings reforms sought by the Governor in his veto. Specifically, the bill repeals the two existing year-round incentive programs, and replaces them with two new grant programs for implementation and operation of year-round programs. The new system (a) eliminates "double dipping" where schools were previously able to claim both incentive funding and new construction eligibility for the same students; (b) provides a hold harmless for the 1990-91 year for district programs operated in the 1989-90 fiscal year, but applies the new formula to all new sites which began operating after 1989-90; (c) rewards districts based on how much excess capacity they have generated due to year round operations, e.g. a district with 5 percent excess capacity will receive 50 percent of the savings, whereas a district with 25 percent excess capacity will receive 90 percent of the savings.

**AB 175 (LaFollette): Public Schools of Choice  
Held in Senate Appropriations**

Would have required districts to hold a hearing on establishing "alternative instructional programs" if requested by parents of 30 or more students and if it had sufficient teacher support. Significance due more to how far it got in the process rather than the substance of the bill in its amended versions.

**AB 236 (Clute): School Facilities Bonds  
Chapter 578**

Provides for an \$800 million bond act on the November 1990 ballot (Proposition 146). Contains language which prohibits expenditure of more than \$2.25 million per acre for site acquisition for construction projects.

**AB 296 (Floyd): Driver Training  
Vetoed**

Would have suspended driver training requirements for 16 and 17 year old students to receive their drivers' licenses. (Provisions would have been triggered by the lack of funds resulting from the Governor's veto and subsequent lack of legislative action to restore funding.)

**AB 300 (Campbell): Transportation  
Vetoed**

Would have revised the funding formula for transportation allowances for school districts.

**AB 322 (M. Waters): Parental Involvement  
Chapter 1400**

Establishes a standardized approach to parental involvement programs in districts receiving federal Chapter 1 funds (which is virtually all school districts).

**AB 2037 (Eastin): Miller-Unruh Reading Program  
Vetoed**

Would have reactivated state laws and regulations which sunset for this program over three years ago. (The funding for the program has been continued without interruption, despite the sunset of the statutes.)

**AB 2434 (Elder): Developer Fees**  
**Chapter 1404**

Requires school districts to refund developer fees, upon request, to owner-builders for residential remodels costing less than \$20,000 if the work was done between May 14, 1989 and September 30, 1989.

**AB 2588 (Eastin): School Libraries**  
**Vetoed**

Would have established the Lighthouse for Literacy grant program for library materials to schools.

**AB 2709 (Campbell): Indian Education**  
**Chapter 806**

Restored \$1.5 million of \$2.4 million vetoed by Governor in the Budget Act. Administration agreed to restore since the provisions of this bill place funding within the Proposition 98 funding, instead of the General Fund which had been the case under prior law.

**AB 3111 (Filante): Earthquake Standards for Schools**  
**Chapter 1465**

Allows district-owned portables to be treated the same as district-leased portables in acquiring waivers for earthquake standards.

**AB 3381 (Baker): Libraries: Literacy Campaign**  
**Chapter 1095**

Revises current policy regulating the California Literacy Campaign to allow continuous state support beyond the current five year limit.

**AB 3494 (Campbell): Demonstration Programs**  
**Chapter 930**

Reforms the existing Demonstration Programs in Reading and Mathematics so that renewal of the awards is based on competitive comparisons between new and innovative programs rather than automatically renewing from year to year. Extends the sunset

date from June 30, 1990 to June 30, 1995, expands subject areas, and modifies grade levels for project eligibility.

**ACA 2 (O'Connell): Local Bonds  
Defeated on Assembly Floor**

Would have repealed developer fees for school facilities, and allowed for a majority vote of the local electorate for local school bond measures.

**SB 79 (L. Greene): Cost-of-Living Adjustment  
Died in Conference Committee**

Would have appropriated \$356 million to restore Governor's veto of the cost-of-living adjustment from 4.76 percent to 3 percent.

**SB 622 (McCorquodale): Equalization Funding  
Vetoed**

Would have appropriated \$25 million in the 1991-92 budget year for equalization adjustments. The Governor's veto message indicated that (a) this is more appropriately an item for discussion in the development of the 1991-92 budget, and (b) the funding was unnecessary in light of the court ruling that the state is in compliance with the requirements of the Serrano decision (i.e., equalization has been achieved).

**SB 964 (Garamendi): California Assessment Program (CAP)  
Vetoed**

Would have restored \$12 million in funding vetoed by the Governor in the budget. The bill did not address the concerns expressed by the Governor, primarily to fund this statewide testing program from within the Proposition 98 funding guarantee. The bill merely reinstated the funds from the General Fund. Despite the veto, Superintendent Honig may make an administrative decision to continue the program at some (possibly reduced) level either by internal redirection within the Department of Education's budget, or by ignoring the veto and hoping for approval of a deficiency request submitted to a new Governor.

The Governor's veto message stated that he would still be willing to sign legislation in December if the program were to be funded within the Proposition 98 funding guarantee.



**SB 1274 (Hart): Restructuring  
Chapter 1556**

Authorizes a demonstration program to restructure the management of public schools and to determine how to apply such concepts statewide. The specific goals of the program are to improve student achievement as well as staff and parental satisfaction.

**SB 1636 (Roberti): Teacher Training  
Chapter 1444**

Enacts a pilot program to provide a career ladder for non-certificated employees of a school district. The primary target is teacher aides who wish to become teachers. The terms of the legislation effectively limit participation to the larger districts in the state.

**SB 1643 (Hart): Instructional Materials  
Chapter 1340**

Extends sunset for the instructional materials program from June 30, 1991 to June 30, 1996.

**SB 1654 (Alquist): Driver Training  
Chapter 1445**

Prohibits school districts from requiring students to take driver training courses at public schools in order to graduate if they have already successfully completed a driver training course at a private driving school.

**SB 1736 (Dills): Driver Training  
Died on Assembly Floor**

Would have restored \$21 million in funding vetoed by the Governor in the budget. The bill did not address the concerns expressed by the Governor, primarily to fund this program from within the Proposition 98 guarantee. However, the author elected not to send it down to the Governor.

**SB 1947 (Seymour): Vocational Education  
Chapter 1105**



Clarifies and reinforces current law which requires the Department of Education to develop model curriculum standards for vocational education, including "alternative means" for meeting graduation requirements.

**SB 2557 (Maddy): Local Government Financing  
Chapter 466**

See page 3.

**SB 2613 (Hart): California Assessment Program  
Vetoed**

Would have modified the California Assessment Program (CAP) by changing the required grade levels to be tested, and to change the method of testing from multiple-choice to a performance-based assessment. The primary reason for the Governor's veto was because funding for this program is outside the Proposition 98 funding guarantee, and that changing to this type of testing could double the costs.

**SCA 2 (Leonard): Local Bonds  
Defeated on Assembly Floor**

Would have allowed a majority vote in local (all types, not just school) bond elections subject to a 10 year repayment period and a rate increase of no more than 5 cents per \$100 of assessed property value.

**HIGHER EDUCATION  
Consultant: Glee Johnson**

**AB 462 (Hayden): Postsecondary Education  
Vetoed**

Contained a series of policy statements regarding higher education segmental missions, quality of undergraduate education, faculty and staff diversity, and educational equity and assessment. Primary reason for the veto was the overly prescriptive nature of the statements which could have been interpreted as mandates.

**AB 500 (Hayden): California Education Trust**

## **Vetoed**

Would have established the California Education Trust to administer a "College Savings Option" which could have been used by parents to save for their children's educational costs by purchasing municipal bonds in small denominations. (Note: Treasurer Hayes established such a program administratively in September 1990. That program will offer tax-free, zero coupon revenue bonds in \$1000 increments [discounted to \$331] with a rate of return dependent on normal market conditions. Upon maturity, those bonds may be used in any fashion, including paying educational costs.)

## **AB 510 (Roos): California State University Vetoed**

Would have authorized agency shop at CSU.

## **AB 1999 (Farr): UC and CSU Growth Defeated on Senate Floor**

Would have required UC and CSU, in planning expansion of existing campuses or creation of new campuses, to be sensitive to the concerns of the local community and make good faith efforts to honor local planning priorities.

## **AB 2479 (Nolan): Higher Education Facilities Bonds Chapter 575**

Provides for a \$450 million bond act for higher education capital outlay on the November 1990 ballot (Proposition 143).

## **SB 507 (Hart): Community College Transfers Vetoed**

Would have given priority in admission to UC and CSU for community college students who had successfully completed a specified course of instruction. Also would have required UC and CSU to achieve and/or maintain 60 percent of total undergraduate enrollment at the upper division level.

## **SB 1446 (Presley): Community College Finance Chapter 1321**

Reappropriated \$8.4 million for the community colleges

necessary to provide a total of \$70 million for reforms contained in AB 1725 (Vasconcellos, 1988). The amount of \$70 million was the threshold amount necessary to "trigger" the reforms. The Governor, however, item-vetoed two other appropriations in this bill for new students (\$2.4 million) and deferred maintenance (\$6.3 million).

**SB 1854 (Morgan): Community Colleges  
Chapter 1372**

Major cleanup of the statutes pertaining to the community colleges, with emphasis on clearer delineation of responsibilities between the Board of Governors and local district boards.

**CRIMINAL JUSTICE  
Consultant: Curt Miller**

**AB 548 (Moore): Adoption placements  
Chapter 1581**

This bill repeals existing law which allows the Department of Social Services to establish regulations which set priorities for placing foster children in new homes according to race, religion, and cultural factors. Instead, it establishes a mandatory priority placement scheme featuring, in order, placement with relatives, racially identical parents, and parents of different race who are judged to be sensitive to the child's race or heritage.

**AB 1370 (Connelly): Criminal records of job applicants  
Vetoed**

This bill would have established an optional criminal records check program for employees of companies who provide services to the state for health care and social services. It would have allowed companies to obtain fingerprints from employees and prospective employees and to submit them to the appropriate state agency for a records check. The agency would then submit the prints to the Department of Justice which would, in turn, provide any criminal history to the requester agency.

**AB 2180 (W. Brown): County Courthouse Facility Capital  
Chapter 921 Expenditure Bond Act of 1990**

If Proposition 150 is approved by the voters in November, this bill will authorize the sale of \$200 million in G.O. bonds for the purpose of funding the construction or rehabilitation of county courthouse facilities. County matching funds of 25% will be required unless the Legislature waives this provision. Counties will have to do various things in order to qualify for funds including establishing a trial court delay program and using as much local financing as possible.

**AB 2433 (M. Waters): County justice system subvention program  
Vetoed**

This bill would have appropriated \$33.65 million from the General Fund to the Youth Authority to restore the county justice system subvention program to its FY89 funding level of \$66 million. The funds were reduced in the FY90 Budget Act.

**AB 2461 (Connelly): Animal tests: misdemeanor crimes  
Vetoed**

This bill would have established a misdemeanor crime, effective 1/1/94, for a person convicted of using animals in specified laboratory tests including the Draize Test and the Skin Irritancy Test.

**AB 2813 (Floyd): Defense of indigents  
Vetoed**

See page 5.

**AB 3460 (Margolin): Vital records fees  
Chapter 1030**

See page 4.

**AB 3580 (Katz): Graffiti removal: taxation  
Chapter 1411**

This bill authorizes a city or county to place a resolution before the voters which, upon a two-thirds approval, imposes a tax on the retail sale of aerosol paint cans and felt tip markers. The revenues would be used to fund graffiti removal and enforcement programs.

**AB 3907 (Quackenbush): Adoption records  
Held in Senate Appropriations**

This bill would have required the Department of Social Services and licensed public adoption agencies to release information to adoptees and birth parents in cases where the adoption occurred after 1/1/84. For adoptions before 1/1/84, an adoptee or birth parent could have received identifying information about the other person by simply requesting it from the DSS unless either party has filed a required declaration with DSS specifically requesting confidentiality of the adoption file.

**AB 4355 (Moore): Domestic violence  
Vetoed**

This bill would have required peace officers to book and jail persons accused of domestic violence misdemeanors instead of citing and releasing them as is presently done. In addition to any other fine imposed by law for a domestic violence conviction, any person convicted of a domestic violence charge would have had to pay a fine of up to \$100 to the local agency to cover the costs of booking and jailing that person.

**SB 577 (Maddy): Anti-Drug Superfund: Proposition 129  
Chapter 1041 implementation**

This bill provides that the appropriation of funds from the Anti-Drug Superfund, proposed for expenditure in Proposition 129 on the November ballot, shall be made pursuant to the annual Budget Act and other legislation. The proposition requires annual Superfund appropriations for eight consecutive years for drug enforcement and treatment purposes. Expenditures proposed for 1991 total \$561 million, all from the General Fund.

**SB 2031 (Presley): Crank-Up Task Force  
Chapter 1417**

This bill establishes the Crank-Up Task Force Program in the Department of Justice and reappropriates \$3 million from the Crack-Down Task Force Program, as funded in the FY90 Budget Act, in order to operate it. The purpose of the program is to close down methamphetamine laboratories.

**SB 2080 (Roberti): Sexual assault medical examinations  
Vetoed**

This bill would have increased the number of county facilities required to provide forensic examinations to sexual assault victims. It also would have required that only acute care hospitals with emergency room services must comply with assault examination protocols established by the Office of Criminal Justice Planning.

**SB 2557 (Maddy): Trial court funds: booking fees**  
**Chapter 466**

See page 3.

**SB 2718 (Watson): Child support enforcement data system**  
**Chapter 1313**

This bill requires the Department of Social Services to make the Statewide Automated Child Support System operational by 10/1/95. This system is designed to coordinate the administration of various public assistance programs including AFDC, food stamps, and aid for child adoption. Federal law requires its establishment and the state must pay all of the nonfederal development and implementation costs.

**SOLID WASTE MANAGEMENT AND RECYCLING**  
**Consultant: Curt Miller**

**AB 1490 (Sher): Recycled glass processing fees**  
**Chapter 1274**

This bill revises the method of calculating the processing fee paid by bottle manufacturers which is the difference between the costs of recycling a container and its scrap value. The new method reduces the scrap value relative to the recycling cost thus generating more processing fees for payment into the Glass Processing Fee Account established by this bill. Funds in the account will be available for processing fee payments, scrap value payments, and market development payments to manufacturers and processors. A loan of \$15 million from the Redemption Account is provided in order to fund the market development program. The bill also increases annual convenience incentive payments from \$13 to \$18 million in order to increase the number of recycling centers available to consumers.

**AB 1820 (Sher): California Integrated Waste Management Board  
Chapter 145**

This bill amends the FY89 Budget Act in order to appropriate \$500,000 from the Integrated Waste Management Account to the Board for start-up costs of the integrated waste management program as established by AB 929 (Ch. 1095/89). The enabling legislation did not include a funding source or the expenditure authority for the program required by the Act. The bill also includes a host of technical amendments and clarification of policy.

**AB 3749 (Sher): Oil recycling  
Vetoed**

This bill would have established an oil recycling program to be managed by the Integrated Waste Management Board. It would have created a redemption value program of 5 cents per quart, an inspection program for recycling facilities, authorized grants for research and testing, and implemented a public information program.

**SB 1200 (Petrus): Petroleum Violation Escrow Account: oil  
Chapter 1657 recycling**

This bill appropriates \$1 million in PVEA funds to the Integrated Waste Management Board to develop an oil recycling program. The funds would be used for grants to local agencies to establish recycling centers and provide consumer information.

**SB 2092 (Hart): Recyclable garbage bags  
Chapter 1452**

This bill requires the Integrated Waste Management Board to adopt content standards for recycled film plastic used in household lawn and garbage bags in order to enhance recyclability. Effective 1/1/93, sales of plastic bags containing less than 10% recycled film plastic, which exceed 1.0 mil thickness and are not intended for food storage, would be prohibited. Also, effective 1/1/95, sales of plastic bags containing less than 30% recycled film plastic, which exceed .75 mil thickness, would be prohibited. Exemption from these requirements may be requested by manufacturers if recycled film plastic is not available.



**NATURAL RESOURCES AND ENERGY**  
**Consultant: Curt Miller**

**AB 145 (Costa): California Park, Recreation and Wildlife  
Chapter 920 Enhancement Act of 1990**

If approved by the voters in November, 1990, this bill authorizes the issue of \$437 million in G.O. bonds for acquisition, development, and restoration of real property for state and local wildlife, park, beach, coastal, historic, and museum purposes.

**AB 1145 (Sher): Petroleum Violation Escrow Account: Chapter  
1648 transportation projects**

This bill appropriates \$7.495 million to the Energy Commission for grants to specified local agencies for transportation system management projects on streets and highways.

**AB 1811 (Sher): Department of Forestry: fire suppression  
Chapter 494**

This bill, which was signed August 10, appropriates \$5.977 million from the General Fund to the Department of Forestry for early activation of the 1990 fire season in order to counter expected and serious fire outbreaks due to drought and disease conditions.

**AB 2603 (Lempert): Oil Spill Prevention, Abatement, and Removal  
Held on the Senate Floor Act**

The Act established under this bill would have been comprehensive plan for preventing oil spills and cleaning them up should they ever occur. It required the state and local agencies to do a number of things to accomplish the plan goals. It created four different advisory committees and provided for an administrator for oil spill release which would have been appointed by the Governor who would have been a Fish and Game deputy director. The administrator would have been charged with developing and implementing the required marine oil spill prevention plans which included safety requirements for oil vessels and terminals, harbor safety plans, and establishment of a vessel tracking system in cooperation with the Coast Guard.

The bill would have established the Oil Spill Prevention and



Administration Fund. Fees would have been assessed at the rate of four cents per barrel of oil against tanker and barge owners and marine pipeline operators for the purposes of covering administration costs, conducting designated studies, and establishing standby emergency response facilities and equipment.

The bill would have established the Oil Spill Response Trust Fund. Fees would have been assessed against tanker and barge owners, pipeline operators, and refinery operators at the rate of \$.25 per barrel of oil received or transported until the trust fund balance reached \$50 million. The trust funds would have been used to pay for oil spill cleanup costs until the responsible parties were identified and could meet the cleanup costs. The bill also provided for emergency loans to persons or entities affected by an oil spill who otherwise could not be compensated by the responsible parties or the federal government.

The bill would have established the Environmental Enhancement Fund. All penalties collected under the act would have been deposited into the fund for the purpose of mitigating environmental damage following an oil spill cleanup.

**AB 3551 (Sher): Surface mining and reclamation  
Chapter 1097**

This bill appropriates \$350,000 from the Strong-Motion Instrumentation Fund as a loan to the Department of Conservation for the costs incurred in managing an expanded Surface Mining and Reclamation Act. The bill widens the scope of the act in the areas of annual reporting of mine operations by operators, financial guarantees, inspections, civil penalties, and general oversight activities. The Mine Reclamation Fund is established and an annual fee not to exceed \$2000 will be assessed against mine operators. Total fees paid into the fund may not exceed \$1 million annually but they will be adjusted each year using the CPI as a COLA.

**AB 3716 (Elder): Oil refinery safety  
Held in Senate Appropriations**

This bill would have created the Oil Refinery Safety Act of 1990 to be managed by the State Fire Marshal. Its purpose would have been to regulate safety activities so that catastrophic disasters do not occur at crude oil refineries. The bill included a plethora of oversight powers given to the marshal to regulate written records, periodic reports, employee safety training, accident investigation procedures, and systems operations. In short, all of the things the refineries are

already doing. Also, fees would have been assessed against refinery operators to pay for all of this regulation.

**AB 4234 (Hughes): Petroleum Violation Escrow Account:**  
**Vetoed energy-related housing**

This bill would have appropriated \$4 million in PVEA funds to the Department of Housing and Community Development for specified energy-related housing rehabilitation and weatherization programs for homeless shelters, farmworker housing, residential hotels, and certain types of single- and multi-family dwellings.

**AB 4325 (Baker): Wetlands conservation**  
**Chapter 1645**

This bill establishes the Inland Wetlands Conservation Program in the Wildlife Conservation Board. It will be funded annually at \$2 million from Prop. 117, the California Wildlife Protection Act. The bill authorizes the Board to buy, lease, sell, or exchange lands to preserve and protect wetlands located in the Central Valley.

**SB 494 (Rosenthal): Petroleum Violation Escrow Account: energy**  
**Chapter 1655 studies**

This bill appropriates \$1 million in PVEA funds to the Energy Commission to fund the California Institute for Energy Efficiency, a U.C. applied research center. A match of \$4 million from utility companies is required before the state funds may be spent.

**SB 1888 (Rosenthal): Petroleum Violation Escrow Account: home**  
**Vetoed energy assistance**

This bill would have appropriated \$5 million in PVEA funds to the Department of Economic Opportunity for low-income energy assistance programs including home weatherization, crisis intervention, and assistance payments.

**SB 1955 (Alquist): Fire protection fees**  
**Died on Assembly Inactive File**

This bill would have allowed the Department of Forestry to establish an annual fee to be assessed against residential and

commercial structures located in state responsibility areas to offset department costs of providing fire protection services. The total of all fees collected in FY90 was to be capped at \$4.4 million in addition to any amounts needed for administration costs.

**SB 2211 (Rosenthal): Petroleum Violation Escrow Account:  
Chapter 1661 planning and research**

This bill appropriates \$5 million in PVEA funds to the Energy Commission for various activities including contingency planning for energy shortages (\$1.6 million) and research and development of clean fuels and electric vehicles (\$3.4 million).

**DEPARTMENT OF FISH AND GAME  
Consultant: Curt Miller**

**AB 2126 (Felando): Commercial fishing  
Chapter 1703**

This bill increases the fees and taxes assessed against commercial fishermen, aquaculture enterprises, abalone, lobster, and herring fishermen, and persons who harvest kelp, seaweed, and oysters. It also increases the fees for transferring drift gill net permits for shark and swordfish. These higher fees and taxes sunset 1/1/92 unless extended by another bill.

**AB 3158 (Costa): Revised funding provisions  
Chapter 1706**

This bill reorganizes the fiscal structure of the Department and declares that user fees are to be established for nongame regulatory activities wherever possible. It establishes authority for the Department to levy fees for the costs incurred in reviewing and enforcing projects subject to CEQA. This means the Department will charge fees for each draft EIR and functional equivalent document, which includes timber harvest plans, and which also includes EIR documents required of various types of water resources projects including dams and powerplants. Also, fees for commercial fishing licenses and permits are increased and the procedures for pricing hunting and fishing licenses are changed by requiring use of a specified annual economic index.

**AB 3159 (Costa): Fish and Game: renaming department  
Vetoed**

This bill would have renamed the department to the Department of Fish and Wildlife.

**AB 3160 (Costa): Fish and Game Commission  
Vetoed**

This bill would have transferred most of the Commission's quasi-judicial powers to the Department including the authority to determine the form and method for carrying and displaying licenses and tags and the establishment of fees for these licenses and tags. It also would have required the Department to evaluate license revocation actions against persons cited by the Department thus requiring the Department to act as enforcer and judge in each case.

**AB 3702 (Hauser): Enforcement programs  
Vetoed**

This bill would have loaned the Special Operations Unit of the Department \$1.2 million from the Commercial Salmon Stamp Account in order to replace warden positions not funded in the FY90 Budget Act due to spending reductions caused by lower than expected license revenues.

**AB 3727 (Costa): FY89 funding  
Chapter 1681**

This bill loans the Department \$3.556 million from the Environmental License Plate Fund and \$3 million from the Off-Highway Vehicle Fund in order to augment its FY89 budget to address a funding deficiency caused by reduced revenues from declining sales of hunting and fishing licenses.

**AB 4326 (Isenberg): Wetlands survey  
Vetoed**

This bill would have required the Department of Fish and Game to coordinate and conduct a survey, prior to 1/1/91, of state-owned wetlands and non-wetlands suitable for restoration in the Sacramento and San Joaquin Valleys.

**SB 2301 (Keene): Salmon and steelhead fisheries  
Chapter 1671**

This bill extends the existing Fisheries Restoration Account

sunset date from 6/30/91 to 6/30/94. Funds in the account are used for salmon and steelhead trout protection programs. The bill appropriates \$800,000 for FY91 through FY93 for the purchase of heavy equipment to improve fish habitat and \$2 million to conduct watershed assessments and fisheries restoration planning in coastal waterways. The Account is funded by annual transfers from tidelands oil revenues as per Sec. 6217.1 of the Public Resources Code.

**SB 2840 (McCorquodale): Fish & Game Commission reorganization  
Held in Assembly W.P. & W.**

This bill would have renamed the Fish and Game Commission to the Fish and Wildlife Commission and increased its membership from five to 12 members. It also would have repealed the provision of law that allows the Commission to supersede statutory law in the Fish and Game Code by regulation.

**WATER RESOURCES  
Consultant: Curt Miller**

**AB 1312 (Filante): Water Resources Bond Act of 1990  
Chapter 919**

This bill provides for a G.O. bond issue of \$380 million, upon voter approval of Prop. 148 on the November ballot, to provide funds for water quality and conservation programs (\$185 million), local flood control and prevention projects (\$90 million), safe drinking water and drought relief (\$80 million), and loans to public agencies for construction of water projects.

**AB 2872 (Costa): Water quality: Bay-Delta hearings  
Held in Senate Appropriations**

This bill would have required the State Water Resources Control Board to conduct an economic study using econometric models of the impacts of the water quality standards which may be set as a result of the Bay-Delta hearings currently in progress.

**SB 1816 (Roberti): Water pollution: toxic discharges  
Held in Assembly Ways & Means**

This bill would have established the Toxic Discharges Prevention Act of 1990 which is intended to reduce the discharge

of contaminants into government and privately owned waters. The State Water Resources Control Board would have been charged with regulating specified dischargers of pollutants (federal NPDES permit holders, dischargers required to pre-treat waste materials, agricultural drainage water containing pesticides, and mining acid runoff) by preventing production of pollutants, by requiring generators and dischargers to prepare reports describing the materials they use or produce which may contaminate water, and by requiring these entities to prepare plans to reduce these discharged materials. A technical and research assistance program would have been created to help facilities reduce the generation of pollutants. A fee would have been assessed against dischargers and paid into the Water Pollution Prevention Account to offset program costs.

**SB 1845 (Torres): Bay Protection and Toxic Cleanup Act  
Chapter 1294**

This bill requires the State Water Resources Control Board to establish and assess fees, until 1/1/94, against persons who discharge waste into oceans, bays, or estuaries in order to fund the cleanup program established in 1989 (Chapter 269, Torres).

**SB 1999 (Bergeson): New River water quality project  
Chapter 1322**

This bill appropriates \$100,000 from the General Fund to the State Water Resources Control Board in order to fund a two-year pilot project to determine if creating wetlands will improve water quality in the New River. The Governor, however, deleted the appropriation.

**AIR RESOURCES  
Consultant: Curt Miller**

**AB 2532 (Vasconcellos): Air pollution: halogenated substances  
Vetoed**

This bill would have established a timetable and a program for the elimination and/or recycling of CFC's used in auto air conditioners and industrial/commercial mechanical systems. Effective 1/92, auto servicers would have had to use CFC recycling equipment and sellers of automobiles would have been required to certify that the air conditioner was working



properly. Industrial refrigeration systems would have had to have been inspected annually by certified contractors and restrictions on selling CFC's are specified. Effective 1/1/95, the sale of vehicle air conditioners using CFC's would have been outlawed except under certain conditions.

**AB 2759 (Eaves): Air pollution: mobile source offsets  
Held on Senate Floor**

This bill proposed to appropriate \$115,000 from the General Fund to the Air Resources Board to convene an advisory board to develop guidelines for establishing mobile source air pollution offset programs. The board would have been required to hold workshops to develop the guidelines for submittal to the ARB for adoption prior to 12/31/91.

**SB 1770 (McCorquodale): San Joaquin Valley Air Quality  
Vetoed Management District**

This bill would have established the San Joaquin Valley Air Quality Management District to include the counties of Kern, Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare. It would have assumed the functions of the county APCD's on 7/1/92 and the district is authorized to levy specified fees to meet program costs.

**SB 1817 (Roberti): Toxic Air Pollution Prevention Act  
Vetoed**

This bill would have required the Air Resources Board to develop a program to prevent generation of toxic air contaminants by requiring designated facilities to prepare audit plans for monitoring and controlling emissions. Fees are to be assessed against facility operators to pay program costs.

**YOUTH AND ADULT CORRECTIONS  
Consultant: Curt Miller**

**AB 242 (Nolan): Parole offices: location requirements  
Held in Senate Appropriations**

This bill would have required the Department of Corrections to establish guidelines for the locating of parole offices and to

submit them to the Legislature by 9/30/90. The primary restriction in the bill states that a parole office may not be located closer than 500 yards to a school, park, day care center, or a zoned residential area.

**AB 524 (Murray): New Prison Construction Bond Act of 1990-B  
Chapter 576**

This bill authorizes the issue of \$450 million in G.O. bonds, upon voter approval of Proposition 144 in November, for the purpose of constructing and rehabilitating state youth and adult corrections facilities. Within the total amount of authorized funding, \$15 million is designated for the construction of community-based facilities for programs intended to reduce drug use, recidivism, and violence in the state prisons. The controlling statute for this program is contained in SB 2000 (Presley, Ch. 1594/90).

**SB 549 (Presley): Correctional facilities  
Chapter 981**

This bill authorizes the construction of a 2,000 bed prison and a 400 bed support services facility at Chuckawalla Valley State Prison at a cost of \$214.2 million. It also appropriates \$423.3 million for the following facilities: \$50 million for constructing 1,000 beds as work-based camp facilities; \$195.4 million for the construction of a 1,000 bed prison, a 100 bed reception center, and a 200 bed support services facility at the California Correctional Center at Susanville; \$175.4 million for construction of a 2,000 bed women's prison at the Central California facility in Madera County; and \$2.5 million for the replacement of modular housing at the Bautista Conservation Camp in Riverside County.

The bill authorizes the sale of \$271 million in lease-purchase financing to construct a joint use facility consisting of a 2,650 bed reception center and a 300 bed jail for Marin County at San Quentin State Prison. Marin County will repay the state 25% of the cost of the jail construction and will lease the jail site for 99 years at \$1 per year.

The bill authorizes the sale of \$207.3 million in lease-purchase financing to construct a 2,000 bed prison and a 200 bed support facility at Coalinga in Fresno County. The bill authorizes the sale of \$214.4 million in lease-purchase financing to construct a 2,000 bed prison and a 200 bed support facility at the California State Prison-Imperial County, South.



**SB 1094 (Presley): County Correctional Facilities Capital  
Chapter 579 Expenditure and Juvenile Facility Bond Act  
of 1990**

This bill authorizes the issue of \$225 million in G.O. bonds, upon voter approval of Proposition 147 in November, for the purpose of constructing and rehabilitating county correctional facilities (\$150 million), juvenile facilities (\$50 million), and youth centers and shelters (\$25 million). A 25% match by the county is required unless waived by the Legislature. These funds would not be available to any county if the electorate or the board of supervisors adopts a measure opposing a state prison site in the county unless the county already has two or more prisons planned, under construction, or in operation on the effective date of this bill.

**SB 2000 (Presley): Substance Abuse Community Correctional  
Chapter 1594 Detention Centers**

This bill establishes these centers which will offer programs for drug treatment and restitution services to specified nonviolent parolees and probationers. The state will fund construction of the centers under the G.O. bond provisions of AB 524 (Murray, Ch. 576/90) and will pay for program administration while qualified counties will provide a site for each center and will pay for the operating costs of the center.

**SB 2180 (Lockyer): Parolees: job placement services  
Vetoed**

This bill would have required the Departments of Corrections and Employment Development to jointly conduct a pilot project for providing prerelease and postrelease employment services for parolees including job training.

**SB 2315 (Lockyer): Intensive correctional supervision program  
Vetoed**

The program which would have been established by this bill proposed a state-managed intensive correctional supervision program for certain parolees wherein the ratio of offenders to staff would be set at 20:1 compared to the present ratio of about 50:1. The program was intended to target nonviolent offenders who would, under present law, be sentenced to one year prison terms and, instead, allow sentencing to place them under strict and constant parole supervision in order to reduce recidivism due

to parole violations thus freeing up bed space in the state prisons for violent offenders.

Funding for the program was contingent upon a budget act appropriation. Counties could have established their own programs wherein CDC is required to reimburse the counties at a specified rate for their costs in managing the program.

**GENERAL GOVERNMENT**  
**Consultant: Curt Miller**

**AB 2419 (O'Connell): Pesticide mill tax**  
**Chapter 1679**

See Page 4.

**AB 2837 (Farr): Disaster assistance**  
**Vetoed**

Existing law provides state guarantees for loans to small businesses and farms to repair damage caused only by the Loma Prieta earthquake. This bill would have extended the guarantees for any declared natural disaster occurring in the state in the future.

**AB 2983 (Pringle): Medfly laboratory**  
**Chapter 1622**

This bill appropriates \$600,000 from the General Fund to the Department of Food and Agriculture to fund the operating costs of an additional sterile fly production unit in Hawaii.

**AB 3151 (Tanner): Pesticides: health tests**  
**Vetoed**

This bill would have required the Department of Health Services to conduct health risk assessments on certain pesticides in cooperation with the Department of Food and Agriculture and would have banned the use of any pesticide determined by DHS to contain a significant health risk.

**AB 3286 (Areias): Disaster assistance**  
**Held in Senate Appropriations**

This bill would have established the State Hazards Mitigation Grant Account to provide state matching funds to local agencies for federally approved hazard mitigation projects which are intended to reduce future losses due to disasters. This bill essentially would have required the state to pay for 75% of the cost of local projects which have not been approved by FEMA.

**AB 3897 (W. Brown): Seismic hazards mapping**  
**Chapter 1168**

This bill requires the State Mining and Geology Board to develop guidelines and priorities for mapping seismic hazards in California by 1/1/92. At that time, the State Geologist will begin to compile the maps showing the areas of seismic hazards. The maps will be used by state and local agencies to manage land use and zoning programs which overlay the seismic areas.

**AB 4209 (Allen): Pest control and epidemiological studies**  
**Chapter 1678**

This bill annually appropriates, for up to 10 years, 1% of the pesticide mill tax to the Department of Health Services to conduct an epidemiological study of possible long-term health effects caused by the aerial application of pesticides in urban areas, including cancer, birth defects, and respiratory illnesses.

**SB 1723 (Roberti): Air carrier regulation**  
**Failed on Assembly Floor**

This bill would have required the P.U.C. to establish an Office of Airline Consumer Information to represent the economic interests of air travelers. Airports would have been required to maintain telephones with access to a toll-free airline consumer hotline.

**SB 1906 (Lockyer): Earthquake research**  
**Vetoed**

This bill would have authorized the Department of Conservation to conduct a cooperative research project with the U.S. Geological Survey to develop a prototype hazardous earthquake fault monitoring facility for installation on the Hayward Fault. The project would have been started only if \$3 million in state funds were appropriated in the future and \$6

million in federal matching funds were also made available.

**SB 2244 (Davis): Burial permit fees**  
**Chapter 990**

This bill increases the fees paid to counties and cities by persons certified to dispose of human remains from \$2 to \$5. The current fee of \$2 is evenly split between the state for recording costs and the local agency for their processing costs. This bill proposes that, of the additional \$3 collected, \$1 be paid into the Peace Officers' Training Fund and \$2 be paid to the county treasury for indigent burial costs.

**SB 2258 (Rosenthal): Air carrier investigations**  
**Failed in Assembly Utilities and Commerce**

This bill would have required the P.U.C. to investigate passenger air carriers in order to determine whether or not they are inhibiting competition and thus causing air fares to be "excessive" or "discriminatory." Access to air carrier financial records would have been provided for and a report of findings would have been due to the Legislature 1/30/92.

**SB 2517 (Mello): Natural disaster assistance**  
**Held in Senate Appropriations**

Under existing law, local agencies must contribute at least 50% of the cost of developing hazard reduction plans and mitigation measures while the federal government and the state make up the difference. This bill, instead, would have required the state to pay ALL of the local costs of developing these plans. This program was intended to correct existing structural hazards in order to reduce losses cause by a FUTURE disaster.

**SB 2755 (Rogers): Veterans' Bond Act of 1990**  
**Chapter 573**

This bill authorizes the issue of \$400 million in G.O. bonds, upon voter approval of Prop. 142 in November, to provide a subsidized home and farm loan program for qualified veterans.

**SB 2772 (Torres): Pest control: border quarantine**  
**Chapter 1612**

This bill enacts the Airport and Maritime Plant Quarantine,

Inspection, and Plant Protection Act in the Department of Food and Agriculture and establishes state inspection stations at ports of entry to prevent pests from entering California. An inspection fee will be assessed against foreign and domestic air carriers and commercial marine carriers engaged in foreign commerce in order to cover the program costs.

**HEALTH AND WELFARE  
Consultant: Steve Olsen**

**AB 99 (Bronzan): Family Planning  
Chapter 1**

This bill appropriates \$20 million from the General Fund to restore funding to the Office of Family Planning for the 1989-90 fiscal year. The bill also provides that funds for state-funded family planning programs shall not be used for abortion services, pregnancy testing solely for the purposes of referral for abortion services, or pregnancy care which is not incident to the diagnosis of a pregnancy.

**AB 1154 (Isenberg) and SB 1412 (Maddy): Proposition 99  
Chapters 51 and 50**

These bills are the cleanup bills for AB 75 (Isenberg, 1989) and SB 960 (Maddy, 1989), which implement Proposition 99, the tobacco tax initiative. In part, the bills:

1. Limit the liability of clinics providing dental care to patients referred through health screening, and establishes a \$1 million risk pool to pay for services exceeding \$1,000 per patient.
2. Establish a \$1 million risk pool to limit the liability of counties providing child health care services pursuant to AB 75.
3. Establish data reporting requirements for counties receiving Proposition 99 funds.
4. Clarify maintenance of effort requirements for hospitals and counties.
5. Appropriate \$4.27 million from the General Fund to the various accounts of the Cigarette and Tobacco Products Surtax Fund.

6. Appropriate \$10 million from the Unallocated Account for support mental health services in 1990-91.

7. Appropriate \$15 million (\$12 million from the Hospital Services Account and \$3 million from the Physician Services Account) to fund the major medical insurance program established by AB 60 (Isenberg, 1989).

8. Appropriate \$6.8 million (\$5.8 million from the Unallocated Account and \$1 million from the Health Education Account) for funding of measles vaccination and related public outreach programs.

**AB 2158 (Costa): Public Water Systems  
Chapter 1182**

This bill pre-empts local regulation of public water systems having between 15 and 200 connections. Regulation of drinking water quality by these systems would be shifted to the state Department of Health Services effective July 1, 1992. To finance this new regulatory program, the bill requires the water systems to pay operating fees to the state. The bill also establishes a new cost-based fee system for supporting regulation of all water systems with 15 or more connections, beginning in the 1991-92 fiscal year.

**AB 3573 (Baker): Welfare COLAs & Medi-Cal Drug Formulary  
Chapter 456**

See page 1.

**AB 3650 (Felando): Medi-Cal Drug Formulary  
Died in Senate Appropriations Committee**

This bill would have established an open formulary for outpatient drugs provided by the Medi-Cal program. The program would have been required to cover all FDA approved drugs and other pharmaceutical products, without prior authorization. The bill also eliminated the Medical Therapeutics and Drug Advisory Committee, which currently reviews applications to add drugs to the formulary. Finally, the bill would have required the state to expand the Medi-Cal Drug Utilization Review program statewide.

**SB 1087 (Mello): Long-Term Care Reimbursement  
Chapter 502**

This bill establishes a new systems of reimbursing nursing facilities under the Medi-Cal program, effective August 1, 1991. Under the new system, facilities would be reimbursed for:

- (1) Direct patient costs. This includes nursing and other direct patient care services. Allowable costs would be based on adjusted audit data, with variation for geographic location, the number of beds, and the facility's rate range;
- (2) Capital Assets. This allowance recognizes the cost of leases, mortgages, interest, and depreciation, and provides a 7 percent rate of return on the first \$27,500 per bed.
- (3) Other Costs. This component recognizes the costs of housekeeping, dietary, laundry, maintenance, operations, and other allowance routine costs, based on the cost experience of median facilities.

The bill also declares that California is in substantial compliance with the provisions of the federal Omnibus Reconciliation Act of 1987 (OBRA 87).

**SB 2038 (Bergeson): Supplemental Food Program  
Chapter 1345, Item Veto**

This bill appropriates \$1 million from the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund for the purpose of providing tobacco use screening and education and smoking cessation counseling and referrals to participants in the Supplemental Food Program for Women, Infants and Children (WIC).

**SB 2097 (Maddy): AB 8 and IHSS COLAs  
Chapter 457**

See page 1.

**SB 2266 (Morgan): Immunizations  
Chapter 606**

This bill enacts the California Full Immunizations Act, and makes legislative finding and declarations regarding immunizations to prevent dangerous childhood disease. The bill requires the Department of Health Services to submit an annual report regarding the immunization status of young children in the state. Amendments to the prior version deleted appropriations to increase funding for immunization assistance programs.



**SB 2451 (Maddy): Medi-Cal Drug Formulary  
Died in Senate Appropriations**

This bill would have authorized the Department of Health Services to contract for the delivery of Medi-Cal outpatient drugs. These contracts, based on the manufacturer's best price, would have replaced the existing Medi-Cal formulary. The department would be permitted to delete drugs from the approved contract list if the manufacturer does not enter into negotiations for a contract.

**SOCIAL SERVICES  
Consultant: Traci Stevens**

**AB 1060 (Areias): Foster Care  
Held Senate Appropriations.**

This bill would have created a major change in the policy and fiscal structure of the Foster Care Program. Currently, relatives who wish to take care of foster children do not receive reimbursement, unless it is court ordered. This bill would have mandated that relatives receive the same reimbursement rate that non-relatives receive. The income eligibility test for relatives would be 300% of the AFDC eligibility formula.

**AB 1696 (Bronzan): Foster Care  
Chapter 1117**

Extends the three-county pilot program which diverts a specified portion of the AFDC Foster Care revenues to provide for family preservation programs.

**AB 3373 (Leslie): Foster Parents  
Chapter 955**

This bill will allow the Department of Social Services to complete a full criminal records check for those foster parent applicants who have stated an intention to adopt a foster child.

**AB 3545 (N. Waters): Child Care Providers  
Vetoed**

This bill would have required the Department of Social Services to develop, implement, and monitor a statewide health care training program for licensed child care providers.

**AB 3647 (Vasconcellos): Teen Males  
Vetoed**

This bill was designed to educate teen males about the responsibility and risks of early fatherhood. The bill would have been fully funded from federal dollars.

**AB 3648 (Vasconcellos): Foster Children  
Held in Senate Appropriations**

This bill would have allowed county welfare departments to provide foster parent training programs if the county submitted a plan to Social Services.

**AB 3802 (Friedman): In Home Supportive Services  
Held Senate Appropriations**

This bill removes the current incentive for couples to place an ill spouse in a nursing home by providing a community property split in the IHSS program.

**AB 4055 (M. Waters): Child Abuse Training  
Vetoed**

See page 6.

**AB 4142 (Hannigan): In Home Supportive Services  
Vetoed**

Under current law, the In Home Supportive Service Program (IHSS) eligibility requirements are limited to a maximum amount of hours per recipient. Effective July 1, 1991, this formula will change to a dollar cap per recipient. This bill would have repealed that dollar cap and returned the eligibility requirements to an hourly maximum. The bill also provided for a 25 cent per hour increase to providers, with a maximum increase of up to three increments of 25 cents.

**SB 1592 (Petrus): Foster Parent Recruitment  
Vetoed**

This bill would have required the Department of Social Services to implement a demonstration program for foster parent recruitment and training.

**SB 2231 (Presley): Foster Care**  
**Vetoed**

This legislation proposed to mandate agencies or entities that offer parenting courses to meet minimum standards established by this bill as a condition of receiving funding.

**SB 2233 (Presley): AFDC**  
**Vetoed**

Would have required the Department of Social Services to develop performance standards and outcome measures for determining the effectiveness of Aid to Families with Dependent Children.

**SB 2234 (Presley): Foster Care**  
**Chapter 1250**

This bill requires the Department of Social Services to establish pilot programs to provide intensive services to foster children. This bill is based on a Michigan model. The programs are designed to provide training for foster parents; therapists; biological parents, etc. to assist with the mainstreaming of severely emotionally disturbed foster children.

**SB 2342 (Killea): Family Day Care**  
**Vetoed**

This bill would have prohibited a child day care facility from refusing to care for a child if the parent furnishes or authorizes the use of cloth diapers.

**SB 2408 (Watson): AFDC Housing Allowance**  
**Vetoed**

This bill proposed to add to the special needs allowance for pregnant women in AFDC, a calculation for maximum aid payments for the purpose of obtaining permanent housing.

**SB 2669 (Presley): Perinatal Services**  
**Chapter 1603**

This bill allows counties or a consortia of counties to develop comprehensive plans for the early intervention and treatment of perinatal substance abusers and substance exposed infants and their families.

**SB 2802 (Nielsen): Master Plan for Children's Services**  
**Vetoed**

This bill created the Commission for the Development of a Master Plan for the delivery of Children's Services. The intent was to create a process for reviewing the state's current delivery system for children's services and to create a master plan for future delivery of these services.

**TOXICS**  
**Consultant: Traci Stevens**

**AB 1728 (Katz): Toxics**  
**Vetoed**

This bill would have enacted the Toxics Reporting and Use Reduction Act of 1990 by requiring the Environmental Affairs Agency to establish systems and procedures for collecting, storing and distributing hazardous materials data to the public.

**AB 2597 (Tanner): Household Hazardous Waste**  
**Chapter 1265**

This bill exempts household hazardous waste collection programs operated by public agencies or private parties on behalf of public agencies from specified hazardous waste fees, permitting or recordkeeping requirements.

**AB 2641 (Wright): Household Hazardous Waste**  
**Chapter 1266**

This bill allows local agencies which operate household hazardous waste programs to accept up to a specified quantity of hazardous waste from commercial hazardous waste generators.

**AB 3193 (Polanco): Hazardous Waste Cleanup  
Chapter 1113**

This bill expedites and clarifies the authority of redevelopment agencies to engage in the cleanup of hazardous waste sites.

**AB 3477 (Peace): Waste Disposal  
Vetoed**

This bill would have prohibited, except in a county with a population under 125,000, the disposal of hazardous waste on Native American Indian reservation land unless the facility had been issued a permit and met specified federal and state environmental requirements.

**AB 3856 (Sher): Permit By Rule  
Chapter 1365**

Requires an annual \$1,000 fee for facilities processing or generating toxic wastes which are permitted through the permit by rule process.

**AB 4294 (Tanner): Toxics  
Chapter 1010**

Requires the Department of Health Services Toxics program to provide grants to local governments for hazardous waste reduction programs.

**SB 65 (Kopp): Toxic Chemical Discharges  
Chapter 407**

This bill would amend the Safe Drinking Water and Toxic Enforcement Act of 1986 to include cities, counties or other public agencies that were exempted from the original act. In the spirit of the initiative, this bill further mandates that in order for the bill to become law it must be voted on by the people.

**SB 1816 (Roberti): Toxics Discharge  
Failed Assembly Ways and Means**

This bill would have established the Toxic Discharge Prevention Act of 1990 in order to prevent the generation of

water pollutant discharges.

**SB 1857 (Torres): Hazardous Waste Fees**  
**Chapter 1268**

This bill revises the current fee schedule for fees deposited into the Hazardous Substance Account. The current base rate for hazardous waste land disposal is \$52.50 per ton, this bill increases that amount to \$105.00 per ton effective January 1, 1991.

**SB 2858 (Garamendi): Radioactive materials**  
**Chapter 824**

This bill requires businesses that handle radioactive materials in quantities which require emergency plans to establish and implement a business plan.

**HEALTH INSURANCE**  
**Consultant: Steve Olsen**

**AB 1521 (Margolin): Universal Coverage**  
**Conference Report Died in Assembly and Senate**

This bill was the final result of negotiations that took place over the entire 1989-90 legislative session regarding reform of the health insurance market. This debate began with AB 350 (Willie Brown), which initially imposed mandated health benefits on most employers, but ultimately established an Advisory Task Force on Health Insurance, which submitted a report to the Governor and Legislature on March 1, 1990.

In its final form, this bill proposed the following major provisions:

1. Provided that its implementation would have been contingent upon voter approval of a constitutional amendment which provides that revenues for financing the bill's provisions would be exempt from the Gann Limit. Presumably, such voter approval would occur in 1992.
2. Provided a two-year period for employers to provide health benefits to employees without coverage. This voluntary effort would have included expansion and targeting of the SB 1207 employer tax credit, establishment of a minimum benefit

package, and cost containment provisions.

3. Established cost containment provisions, including (a) increased data reporting requirements, (b) establishing financial incentives for employers and employees to select low-cost health plans, (c) establishment of regional purchasing pools under the auspices of PERS to assist small businesses to purchase coverage, (d) reform of health insurance underwriting standards, (e) mandatory disclosure of physician economic interests, (f) mandatory copayments and deductibles, (g) and establishment of minimum utilization standards and patterns of practices by a California Health Plan Commission.

4. Established a number of long-term care initiatives, based on AB 4212 (Connelly) and AB 4213 (Connelly), expansion of preadmission screening, and expansion of the On Lok program.

5. Provided that if the voluntary effort fails, employers and individuals would be required either to provide coverage or to pay an assessment into the Health Care Trust Fund, which would purchase coverage of basic health plans. The assessment for small businesses and self-employed individuals would be limited to 8 percent of gross payroll (employers) or 2 percent of wages over the poverty level (individuals).

6. Authorized the commission to impose price controls on hospital rates, professional fees and carrier premiums, in the event that premium rates exceeded standards established by the commission.

**AB 3032 (Willie Brown): Tucker Health Care Act  
Died in Assembly Finance, Insurance & Corporations Committee**

This bill was the result of the recommendations of the AB 350 Advisory Task Force on Health Insurance. It would have required every employer to provide basic health care coverage to all employees and their dependents. Employers would have been responsible for 75 percent of the cost of coverage for employees and 50 percent for dependents. Employers could have purchased subsidized coverage through Cal-Care, an element of the state's Medi-Cal program.

The bill contained a number of cost containment provisions, including underwriting reforms, copayments, drug utilization review, negotiated hospital rates for prepaid health plans, expansion of data reporting requirements, tort reforms, and hospital employment of physicians. Financing would have come from employer and employee contributions, and redirection of the SB



1207 tax credits, and a redirection of existing state and federal funding.

**AB 4196 (Baker): Voluntary Health Insurance Plan  
Died in Assembly Finance, Insurance & Corporations Committee**

This bill sought to increase voluntary participation in the small employer health insurance market by placing rating restrictions on insurance companies participating in that market, and by establishing a reinsurance mechanism to cover high risk individuals and groups. The bill also authorized hospitals and other facilities to employ physicians and contained a number of tort reform provisions intended to contain the cost of medical malpractice insurance.

**SB 2505 (Maddy) and SCA 45 (Maddy):  
Affordable Basic Health Care Act of 1990  
Died in Senate Appropriations Committee**

SB 2505 required employers employing five or more employees to provide basic health coverage to employees and their dependents. Employers would be responsible for 75 percent of the lowest cost option for employees and 50 percent for dependents. The state would have subsidized purchases for employees whose incomes are less than 200 percent of the federal poverty level.

Cost containment provisions included financial incentives to offer and purchase low cost coverage, copayments, insurance underwriting reform, and establishment of mandatory utilization review, data reporting, and practice parameters.

Coverage would have been financed by an increase in the sales tax of 1/4 cent, and through a redirection of Proposition 99 revenues. Increases in Medi-Cal rates would have been financed through increases in alcoholic beverage excise taxes and through increased penalty assessments.

The bill was tied to SCA 45, which would have exempted the new revenues from the Gann Limit, and required the state to maintain its current level of effort in support of health services.

**SB 2868 (Petrus): California Right to Care Act  
Died in Assembly**

This bill would have replaced the existing privately financed, employer based health insurance industry with a

state-administered universal coverage system. The state, through a 12 member California Health Care Commission, would have been responsible for providing any medically necessary medical, mental health, rehabilitation, dental, substance abuse, and long-term care to all state residents.

The bill did not specify how the program would have been financed, but the author's statements indicated he intended to use an 11 percent payroll tax, an unspecified increase in the sales tax, an unspecified increase in income taxes on unearned income, and a redirection of Proposition 99 and Medi-Cal funds. Collectively, these sources would have generated approximately \$55 billion annually.

**REVENUE AND TAXATION**  
**Consultant: Steve Olsen**

**AB 274 (Isenberg): Federal Tax Conformity**  
**Chapter 452**

See page 3.

**ACA 2 (O'Connell): Property Tax**  
**Failed Passage in Assembly**

See page 12.

**ACA 38 (Cortese): Alcoholic Beverage Tax**  
**Resolutions Chapter 56**

This measure proposes to the voters a constitutional amendment to increase the excise tax on alcoholic beverages. The proposal, which will appear on the November ballot as Proposition 126, is sponsored by the alcoholic beverage industry, and is intended to compete with Proposition 134, the "nickel-a-drink" initiative.

If approved by the voters, the new excise tax rates would be placed in the Constitution. The rate for beer would be increased from 4 cents per gallon to 20 cents per gallon. The rate for most wines would be increased from 1 cent per gallon to 20 cents per gallon. The rate for most distilled spirits would be increased from \$2.00 per gallon to \$3.30 per gallon.

These increases would generate \$71 million in revenues in

1990-91, \$198 million in 1991-92, and declining amounts in subsequent years. These new revenues would be deposited in the General Fund. They would be exempt from the Gann Limit, but the provisions of Proposition 98 would apply, to the extent that "Test 1" applied. The bill also states that its provisions would be exempt from Proposition 136, the Taxpayers' Right To Vote initiative.

**SB 1905 (Hart): DRIVE+ Program  
Vetoed**

This bill would have created the Demand-based Reduction in Vehicle Emissions (Plus reductions in CO2) Program of 1990, otherwise known as the DRIVE+ program. The bill established a system of sales tax credits and surcharges designed to encourage individuals to purchase vehicles that emit fewer pollutants.

**SB 2208 (Morgan): Dependent Care  
Chapter 1347**

This bill reduces the existing child care tax credit for taxpayers with adjusted gross incomes in excess of \$40,000, and establishes a new credit for parents who forgo earned income in order to stay at home with children under 13 months of age. The credit amount would equal \$1,000 annually, and would be reduced by \$200 for each \$1,000 by which the parent's income exceeds \$40,000 (for married taxpayers) or \$28,500 (for single taxpayers).

**SCA 2 (Leonard): Property Tax  
Failed Passage in Assembly**

See page 14.

**SCA 18 (Davis): Sales Tax  
Failed Passage in Senate**

This bill proposed a constitutional amendment to the voters which increased the state sales and use tax by 1/4 cent for 10 years, to fund K-12 school facility construction and deferred maintenance. These revenues would have been exempt from the Gann Limit and from Proposition 98. Priority funding would have been provided to projects when districts had provided at least 50 percent of the project's cost from non-state sources, or when the non-state contribution exceeded one-quarter of one percent of the district's net assessed valuation. The measure would have also

provided that there would be no change in any developer fees during the time the sales tax increase was in effect.

#### **LABOR**

**Consultant: Traci Stevens**

**AB 77 (Moore): Parental Leave  
Vetoed**

This bill mandated that employers who employ more than 25 employees allow an employee to take up to 4 months of unpaid leave for a) pregnancy, b) care for a newly adopted child, c) care for an elderly parent, parent-in-law or grandparent, or d) care for an elderly spouse with serious health problems.

**AB 119 (Floyd): Labor Records  
Chapter 1379**

This bill expands the time that employers must maintain employment records from one year to three years. It also expands the civil penalties accordingly.

**AB 1135 (Tucker): Labor-Management Relations  
Vetoed**

The intent of this bill was to create a Labor-Management Relations Council in order to promote better cooperation between labor and management. The council would have consisted of 9 members; 4 from labor, 4 from management and one public member.

**AB 1469 (Margolin): Employment Safety  
Vetoed**

This bill would have expanded the number of cancer-causing chemicals which would be regulated for the purposes of protecting the health of workers.

**AB 2910 (Margolin): Worker's Compensation  
Chapter 1550**

This bill was primarily a technical clean up to the two prior year Worker's Compensation Reform bills; SB 47 (Lockyer) and AB 2032 (Margolin.) One substantive amendment clarified the

future of the Industries share of administrative cost. The agreement was an 80% (general fund) 20% (Industry) funding share, with a three year sunset.

**AB 2548 (Elder): State employee deaths  
Vetoed**

This bill would have provided an enhanced disability and death benefit for injured highway workers. It also set up a special system for injured highway workers to be trained, re-hired, etc.

**AB 3462 (Friedman): Employee discrimination  
Vetoed**

This bill would have increased the time period in which an employee could have filed a discrimination complaint from 30 to 90 days, if the discrimination was related to workplace safety or health. Additionally, this bill increased penalties against employers who did not comply with this bill.

**AB 3954 (Woodruff): National Guard Employees  
Chapter 1519**

Prohibits any employer from restricting or terminating employee benefits due to a temporary incapacitation which occurred while on duty in the California National Guard.

**SB 1937 (Greene,B): Labor Agency  
Held Senate Appropriations**

This bill would have required the Governor to submit a plan to the Legislature to reorganize the Department of Industrial Relations; the Employment Development Department; the Department of Fair Employment and Housing; the Agricultural Relations Board; the Public Employment Relations Board and the Fair Employment and Housing Commission into a "Labor Agency."

**SB 1946 (B. Greene): Employment Development Department  
Vetoed**

This bill would have required EDD to restore the Service Center Program for the 1990-91 fiscal year. This program was one of the Governor's reductions.

**SB 2078 (Roberti): Pay Equity  
Vetoed**

This bill would have created an 11 member Commission on Pay Equity to determine where compensation and classification inequities exist in the workforce.

**SB 2217 (Petrus): Labor Unions  
Vetoed**

This bill would have eliminated any liability from labor unions during a labor dispute, in which a labor member engaged in an unlawful act unless the union authorized such an act.

**SB 2509 (Lockyer): Workers' Compensation Presumption  
Vetoed**

This bill would have created an automatic presumption in the Workers' Comp. system for health care workers who became exposed to human blood or bodily fluids.

**STATE TEACHERS RETIREMENT SYSTEM (STRS)  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)  
Consultant: Traci Stevens**

**AB 143 (Moore): PERS survivor benefits  
Vetoed**

This bill would have provided a survivor benefit to a spouse who was married to a retired state employee at least 12 months prior to that members death. (This is the third year that this bill has been introduced and vetoed.)

**AB 490 (Lancaster): State Employees Vision Care  
Held Senate Appropriations**

This bill would have authorized the PERS Board of Administration to establish a separate vision care program for retired state annuitants comparable to the current program for active state employees.

**AB 1362 (Leslie): PERS Health Benefits  
Held Senate Appropriations**

This bill required a study to determine the costs of providing health benefits to specified members and surviving spouses of STRS.

**AB 2609 (Hughes): Retirement  
Chapter 996**

Extends the Golden Handshake program until December 31, 1993.

**AB 2642 (Elder): STRS: Board Composition  
Vetoed**

This bill would have changed the Governor's authority to appoint four members of the STRS board and instead would have allowed these appointments to be made by specified members of STRS.

**SB 682 (C Green): STRS-Survivor benefits  
Chapter 97**

This bill allows STRS members to choose a reduced retirement allowance in exchange for adding a survivor benefit for their spouse. The bill also allows a STRS member to cancel the survivor benefit if the members spouse dies and to receive the full retirement benefit.

**SB 1683 (Mello): PERS Death benefits  
Chapter 1701**

This bill increases the lump-sum death benefits for members of PERS from \$600 to \$2000. Additionally, the bill provides for this benefit outside of the collective bargaining process.

**SB 1899 (Alquist): STRS benefits  
Chapter 988**

This bill provides for a voluntary leave program for supervisors and confidential employees in the Annual Leave Program.

**SB 2464 (C. Green): STRS benefits  
Held in Assembly**



This bill would have required STRS to provide members receiving a disability allowance to receive this higher benefit when they retire. Current law requires STRS to recalculate disabled members retirement benefit when they become of age to retire.

**SB 2465 (C. Green): PERS Benefits  
Chapter 1251**

This bill provides for three separate issues. First the bill provides for an enhanced retirement benefit from the current calculation of the average of the highest three years to a "one year" final compensation calculation; secondly the bill provides for a 90% cap on PERS CARE contributions by members who live in an area where they do not have another Health Maintenance Organization option; and lastly the bill specifies for a study of PERS possible autonomy.

**SB 2468 (C. Green): Retired Employees Vision Care  
Chapter 1677**

This bill authorizes the PERS Board of Administration to establish a separate vision care program for retired PERS members.

**SB 2469 (C. Green) STRS Benefit Structure  
Chapter 1172**

This bill provides for \$50,000 from the STRS fund to contract for a study regarding the equity of the present STRS benefit structure.

**HOUSING  
Consultant: Traci Stevens**

**AB 795 (Moore): Homeless Persons  
Held in Senate Appropriations**

This bill proposed to create the Homeless Coordinated Intake Project in Santa Clara and San Diego counties to develop and pilot a local plan for the purposes of delivering homeless services.

**AB 3654 (Vasconcellos): Homeless Youth Projects  
Vetoed**

This bill would have provided for two homeless youth service centers in San Diego and Santa Clara counties. There are currently two existing projects in L.A. and San Francisco.

**AB 4236 (Nolan): California Housing Finance Agency Allocation  
Chapter 574**

This bill requires the California Debt Limitation Allocation Committee (CDLAC) to reserve \$470 million in 1991 and \$505 million in 1992 to the California Housing Finance Agency for the purpose of providing additional first time home buyer loans.

**SB 2322 (Alquist): Potentially Hazardous Buildings  
Died on Senate Floor**

This bill would have reinforced all potentially hazardous buildings in the Seismic Hazard Zone 3 (which is the majority of the state).

**SB 2456 (Maddy): First Time Homebuyer Program  
Chapter 577**

This bill, which will be submitted on the November ballot, will reissue \$200 million in taxable bonds for the purpose of providing low interest mortgages for first time homebuyers. Additionally, SB 2226 (Roberti) was amended into this bill late in the session which provides for \$125 million in tax exempt bonds for the following purposes: Emergency Shelter-\$10 million; Farmworker Housing Grant Program-\$10 million; Rental Housing Preservation Fund-\$45 million; Seismic Safety Rehabilitation-\$45 million; and \$15 million for rental mortgage and bond insurance.

**SB 2558 (L. Greene): Housing Loans  
Chapter 882**

This bill expands the eligible uses for loans provided by the California Housing Rehabilitation Program administered by the Department of Housing and Community Development to include the rehabilitation and replacement of infrastructure and utility systems in mobilehome parks.

**GENERAL GOVERNMENT**  
**Consultant: Lee Bennett**

**SB 62 (Ayala): Open Meetings Act**  
**Vetoed**

See page 6.

**AB 3045 (Speier): FTB Tax Forms: Signatures**  
**Chapter 727**

For any of you who sometimes sign your spouse's name on tax forms, be aware that this bill requires the Franchise Tax Board to include a new statement on tax forms which makes it a crime, with exceptions, to sign a spouse's name on any tax form.

**AB 3437 (Roybal-Allard): Telephone calls**  
**Chapter 383**

This bill makes it a misdemeanor to repeatedly make telephone calls with the intent to annoy another person at his or her residence.

**AB 3591 (Farr): Military Base Closures**  
**Vetoed**

This bill would have created a state working group to help communities adjust to the closure of military bases. The Governor said the bill is unnecessary because he has already created a working group run by his Administration.

**SB 2241 (Watson): State Boards and Commissions: Racial Balance**  
**Vetoed**

This measure would have required gender and racial balance on state boards and commissions. The Gov. said the bill would have established specific racial and gender quotas that would not improve existing policy.

**SB 2459 (Beverly): County Names and Logos**

## **Chapter 946**

This bill allows counties to license the use of their names, logos, or other intellectual properties for commercial purposes.

### **BANKING & RELATED LEGISLATION Consultant: Lee Bennett**

#### **AB 244 (Calderon): Automated Teller Machines Chapter 825**

This bill requires banks and other operators of automated teller machines to provide sufficient lighting around machines and take other actions relating to ATM safety.

#### **AB 3643 (Johnston): Savings Associations: criminal offenses Chapter 1118**

This bill creates new crimes punishable as felonies and increases punishment for existing crimes concerning fraud, corruption and other illegal dealings of and with savings and loan associations.

#### **AB 4064 (Epple): Securities Chapter 1035**

This bill is another outgrowth of the Lincoln Savings and Loan collapse. The bill does three things: 1) authorizes the Commissioner of Corporations to stop the sale of securities not being sold by an underwriter for specified reasons, 2) places the burden of proof for why the sale should be permitted on the issuer if the stop order is challenged, and 3) requires State regulators of the various types of financial institutions to notify each other of open investigations of any licensee.

#### **AB 4254 (Johnston): CA Commodity Law Chapter 969**

This bill, based upon the Model Commodity Code, enacts the CA Commodity Law of 1990 in order to 1) regulate commodity (agricultural products, precious metals, gems, fuels, foreign currency, etc.) transactions and 2) prohibit certain unlawful and fraudulent commodity trading activities. The bill spells out the "unlawful activities and fraudulent conduct" for which the

Corporations Commissioner would have the power to bring an action in the name of the people.

**AJR 81 (Peace): American Continental Corporation Bondholders  
Resolution Chapter 104**

This resolution urges the President and the congress of the U.S. to oppose any federal legislation to bail out investors who purchased bonds through the parent company of Lincoln Savings and Loan. The measure is aimed at S. 2010 (Cranston) which would permit the American Continental Corporation junk bondholders to recover losses on the bonds from the federal government.

**SB 57 (Lockyer): Unclaimed Property: Escheat Period  
Chapter 450**

See page 4.

**SB 1762 (Vuich) Commodity Transactions  
Chapter 323**

This bill expands the regulatory powers of the Corporations Commissioner to commodity transactions by securities broker-dealers and investment advisors licensed in California.

**SB 2364 (Russell): Financial Institutions: Investment Assets  
Held, Sen. Banking Committee, Interim Study**

This is a complex bill which would have required financial institutions to maintain records that reflect the value of the institution's assets and they would have to be maintained in a manner acceptable to the institutions' regulators. The goal of the bill was to require financial institutions to use "real world" procedures for determining their assets--especially with respect to real estate investments.

**SB 2431 (McCorquodale): Department of Financial Institutions  
Held, Senate Banking Committee**

This is a major bill which would have created a Department of Financial Institutions which would regulate persons currently under the jurisdiction of the Dept. of Banking, the Dept. of Savings and Loan, and the Dept. of Corporations.

**SB 2494 (Vuich): Securities: Financial Institutions Branches  
Died in Assembly**

This bill would have forbidden a financial institution, or any other person, from selling "securities", as defined, at branch offices where the financial institution accepts deposits (unless the institution has received written approval from its regulator to sell securities in a branch office as permitted by state or federal law). The intent of the bill was to curb some of the abuses which occurred with the sale of American Continental Corporation subordinated debentures at Lincoln Savings branches, and to prevent the sale of junk bonds in financial institution branches where deposits are accepted.

**SB 2496 (Vuich): Financial Institution Employees  
Chapter 947**

This bill forbids persons convicted of certain felony violations of existing law (Banking Law, Savings Association Law, Credit Union Law, Industrial Loan Company Law, etc.) from becoming a director or officer, or assuming another management position, in a federally insured financial institution. The intent is to keep "bad apples" or persons with criminal or unsuitable backgrounds out of financial institutions.

**COMMERCE & ECONOMIC DEVELOPMENT  
Consultant: Lee Bennett**

**AB 2648 (Polanco): Small Business: Participation Goals  
Vetoed**

This bill would have changed the name of the Small Business Procurement and Contract Act to the Business Enterprises Procurement Act, and required state departments to develop annual plans to achieve participation goals for women, minority and disabled veteran business enterprises. The Governor felt a name change was unnecessary and was concerned about the costs of the bill. The Governor also vetoed a related bill by Polanco, AB 2810, which would have required the Office of Small and Minority Business to certify minority and women business enterprises on behalf of all State agencies. Governor said the bill was unnecessary.

**AB 2852 (Farr): Global Applied Technology Extension Service  
Chapter 1687**

This bill creates the Global Applied Technology Extension Service within the CA State World Trade Commission to work with the existing Coordinating Council for International Programs. Among other things, the purpose of the bill is to accelerate worldwide commercialization of CA products.

**AB 3589 (Speier): Marketing CA Commission  
Vetoed**

This bill would have established the Marketing California Commission in state government to oversee development and implementation of a marketing campaign for goods and services produced in CA. The Governor said this bill would result in significant General Fund expenditures for a new program with uncertain benefits.

**AB 3625 (Farr): Strategic Plan for Technology Development  
Chapter 1230**

This bill specifies that the Department of Commerce shall request the CA Council on Science and Technology to appoint a select panel to develop a plan referred to as "Toward the 21st Century--A CA Strategic Plan for Technology Development and Deployment".

**AB 3850 (W. Brown): Computerized Databases for Exporters  
Chapter 1412--Funding deleted**

This bill requires the CA State World Trade Commission to establish a computerized database of information critical to CA exporters seeking to do business with developing and developed nations. Governor blue-penciled the \$25,000 contained in the bill.

**SB 774 (Torres): CA Development Corporation  
Vetoed**

This bill would have created a public nonprofit CA Development Corporation to promote economic development, particularly in depressed and rural regions through the use of investment strategies. The Governor indicated the bill was duplicative of existing state programs, such as those in the Dept. of Commerce. He also opposed the use of Unitary Tax revenues, and the fact that 4 of the 9 appointments are legislative appointees.



**SB 1875 (Torres): Overseas Trade Office  
Vetoed**

This bill would have required the Governor's Office to establish an overseas trade office or a trade showcase at an appropriate location in Manila, Philippines. Gov. said that decisions as to locations of trade offices or showcases should be made by the Governor's Office, in consultation with the trade community. Also, the existing Hong Kong Office covers the Philippines.

**CONSUMER RELATED LEGISLATION**

**AB 2880 (Areias): Credit Cards  
Chapter 637**

This bill prevents merchants from asking for customer credit card numbers to help guarantee personal checks. Another Areias bill signed by the Governor, AB 2920, imposes restrictions on persons or businesses which accept credit cards in business transactions. Merchants will be prohibited from requiring customers to give their home address, telephone number or other identification to make credit card purchases. Merchants who continue to demand the information could be fined \$250 to \$1,000 per offense.

**AB 2890 (Speier): Credit Agencies  
Vetoed**

This bill would have required credit agencies to notify consumers when potential employers request a credit file containing possible damaging information.

**AB 2908 (Peace): Consumer Credit Reporting  
Chapter 842**

The purpose of this bill is to protect consumers from unauthorized use of information in their credit reports. It would do so by requiring consumer credit reporting agencies to initiate procedures that would further protect consumers from having information from their files used for specified and unsolicited purposes.

**AB 3167 (Speier): State Office Hours**  
**Chapter 1506**

This bill would require all state agencies that provide information and services directly to the public to offer those services during the customary lunch hours of 11:30 a.m. to 1:30 p.m. on the days the offices are open to the public.

**AB 3437 (Roybal-Allard): Telephone Calls**  
**Chapter 383**

This bill makes it a misdemeanor to repeatedly make telephone calls with the intent to annoy another person at his or her residence.

**SB 1107 (Kopp): Consumer Contracts**  
**Chapter 1079**

This bill enacts the "Consumer Contract Awareness Act of 1990" and requires sellers who enter into a consumer contract with a consumer to deliver a copy of the contract to the consumer at the time the contract is signed or within 10 days after the seller receives the contract if it is not signed at the seller's place of business.

**SB 2434 (Davis): Vehicle Repairs**  
**Chapter 1373**

This bill requires motor vehicle dealers to inform vehicle buyers of damage and repairs made to the vehicle prior to sale.

**SB 2455 (Morgan): Foreign Purchases**  
**Chapter 1533**

This bill would exempt from tax the first \$400 in purchases California travelers make outside of the country. A Board of Equalization program set to begin on October 1, 1990, would assess a use tax on merchandise bought outside CA by its residents and brought back in the state for storage, consumption, or use. The use tax will be assessed on the basis of information obtained from U.S. Customs Service declarations completed by returning travelers at ports of entry.

**ELECTIONS/POLITICAL REFORM ACT**  
**Consultant: Lee Bennett**

**AB 368 (Costa): March Presidential Primary  
Died in Assembly**

This legislation would have separated the presidential primary from the statewide direct primary and required the presidential primary to be moved from June to the first Tuesday in March. The bill was accompanied by SCA 47 (Maddy). See comments below.

**AB 3378 (Chacon): Polling Place: Exemptions From Arrest  
Chapter 852**

This bill repeals a section of law that exempts voters from arrest while at, or going to and returning from, his or her polling place on election day.

**SB 1495 (Kopp): Initiative Petitions  
Vetoed**

This bill would have required the Legislative Analyst to include information on any campaign contribution or expenditure of \$10,000 or more which is given or made for the purpose of qualifying the petition for the ballot and written evidence of any agreement regarding any appropriation for projects connected with the initiative in exchange for contributions or signatures. The Gov. indicated the bill did not accomplish its intended purpose and said he would sign a bill which expressly makes it unlawful to exchange an appropriation for a particular project in an initiative in return for a contribution or agreement to collect a specified number of signatures.

**SCA 40 (Hart): Governor: legislative appearances  
Died on As. Floor**

This measure would have required the Governor to show up two times a year each in the Assembly and the Senate to respond to questions.

**SCA 47 (Maddy): Initiatives/Presidential Primary  
Died, As. Floor**

This measure had two purposes. First, it would have

provided that an initiative measure embraces one subject only if a) each provision of the measure is "reasonably germane to the general objective or purpose of the measure" and b) "each provision of the measure is reasonably interdependent with the other provisions of the measure." Secondly, the measure would have banned initiatives and referendums from appearing on the same ballot as presidential primary election candidates if the presidential primary is not consolidated with the direct primary election. This provision responds to concerns about the possible affect of low voter turnout in March elections.

### **Ethics Reform Package**

For a complete discussion of the various ethics reform proposals, see the Senate Republican Caucus' document entitled "Members' Briefing on Ethics Reform", prepared in September, 1990. The key measures are:

**Proposition 112 (SCA 32)** on the June Ballot amends the Constitution to: 1) enact a series of ethics reforms and 2) create the CA Citizens Compensation Commission.

**SB 1738 (Roberti--Chapter 84):** This bill does two things: 1) it enacts reforms mandated by Prop. 112, and 2) it enacts a comprehensive ethics reform package which combines and amends provisions of at least a half-dozen ethics bills pending before the Legislature in mid-August. In general, the bill changes various laws relating to the Political Reform Act of 1974 and the Government Code, including ethics orientation, gifts and honoraria, conflicts of interest, personal use of campaign funds, and post-government laws. The bill is effective January 1, 1991.

**SR 70 (Roberti--Adopted):** Created the Senate Committee on Legislative Ethics and requires the Committee to conduct workshops at least once each calendar year for Members and officers and employees of the Senate. Senate Rule 12.3.

**AB 4143 (Epple--Chapter 1075):** This bill provides for the following: 1) it defines "earned income", 2) it sets forth the requirements for reporting "travel payments" when such payments are required to be disclosed, 3) it provides that campaign funds can be loaned to any organization to which an elected official or candidate may legally contribute, 4) it provides that an incumbent elected officer may be reimbursed for personal expenditures from the campaign bank account if the reimbursement

is paid within 90, rather than 45 days, of the expenditure, and 5) it prohibits a legislator from using his or her official position to influence specified governmental decisions in which he or she knows or has reason to know that he or she has a financial interest.

**HORSE RACING/CA HORSE RACING BOARD  
Consultant: Lee Bennett**

**AB 173 (Floyd): Satellite Facilities: Age Policy  
Vetoed**

This legislation would have required the CA Horse Racing Board to adopt a uniform age policy for admission to all satellite wagering facilities conducting wagering on races.

**AB 3026 (Floyd): Harness Racing: License Fees  
Vetoed**

This bill would have frozen state license fees for harness horse racing conducted after July 1, 1991, at 1989 calendar year revenue levels. Any revenues received in excess of 1989 state license fee revenues would have been distributed equally to the racing associations as commissions, to the CA Standardbred Sires Stakes program, and to the state as license fees. The bill would sunset on July 1, 1995.

**AB 3027 (Floyd): Unclaimed Pari-mutuel Tickets  
Chapter 1283**

This bill revises the number of days, from the close of a racing meeting, that a racing association has to remit unclaimed pari-mutuel ticket monies to the CA Horse Racing Board.

**AB 3421 (Costa): Simulcasting: Racing Meets  
Chapter 1228**

This urgency measure repeals the exclusive right of a fair in the northern zone to offer simulcasting of its live racing meet, when that meet is overlapped by a private racing meet.

**AB 4012 (Frizzelle): Horse Racing: Indian Lands  
Chapter 559**

This bill designates the CA Horse Racing Board as the state entity responsible for negotiating with Indian tribes for the purpose of entering into tribal-state compacts governing the conduct of horseracing on Indian lands.

**SB 519 (Maddy): Quarter Horse Races: Entries/Premiums  
Chapter 1481**

This urgency measure authorizes the CHRB to adopt regulations allowing the entry of thoroughbred horses and Appaloosa horses in quarter horse races at a distance not to exceed 5 furlongs at quarter horse meetings, mixed breed meetings and fair meetings. The bill also: 1) specifies that quarter horses and appaloosas shall constitute more than half the horses in any race, 2) requires that premiums be paid to the breeders of California-bred Appaloosa and Arabian horses winning and placing second in all races that qualify for breeders premiums, and 3) authorizes the CHRB to allocate racing weeks with fewer than five days of racing for harness meetings conducted at the L.A. County Fair, Pomona.

**SB 593 (Maddy): Equine Drug Testing  
Died, As. Ways and Means**

This urgency measure would have required a specific amount of General Fund revenue to be allocated every year to U.C. Davis for the support of a new equine drug testing laboratory. The bill also required the laboratory to provide equine drug testing and other services to the Board.

**SB 1007 (Rosenthal): Simulcast: Geographic Restriction  
Chapter 3**

This bill eliminates geographic restrictions on the use of simulcast, audio-visual signals transmitted from night quarter horse and harness racing meetings north and south.

**SB 1824 (Maddy): Pari-mutuel License Fee Revenues  
Chapter 471**

This urgency measure makes substantive changes to the allocation of pari-mutuel license fee revenues between the General Fund and the Fair and Exposition Fund.

**SB 2361 (Rosenthal): Satellite Wagering Out-of-State  
Chapter 1260**

This urgency measure revises provisions of horseracing law regarding license fees, breakage, and the time to redeem winning tickets, when out-of-state wagers are combined in the pari-mutuel pool of a racing association in this state.

**INSURANCE  
Consultant: Lee Bennett**

**AB 37 (Bane): Automobile Insurance Fraud  
Vetoed**

This bill would have increased the penalties for automobile insurance fraud, add a prohibition against discounts by automobile repair dealers to offset insurance policy deductibles, and requires specified vehicle thefts to be reported to local law enforcement agencies.

**AB 1715 (Friedman): Insurers: Cancellations/Renewals  
Vetoed**

This bill would have reinstated administrative sanctions, which sunsetted 1/1/90, against insurers who cancel or refuse to renew a homeowner's insurance policy because the applicant operates a licensed family day care business at the insured's premises. The measure also specified insurers rights and the provisions for insurance coverage of a family day care home.

**AB 3253 (Eaves): Automobile Insurance Policies  
Chapter 1409**

This bill requires insurers that terminate agency relationships with their agents to maintain a limited agency relationship insofar as is necessary to service and renew automobile insurance policies.

**AB 3435 (Campbell): Proposition 103 Compliance  
Chapter 1189**

This bill prohibits an insurance company from canceling an agency solely on the basis the agent or broker is complying with Proposition 103 by submitting specified applications to a



particular insurer.

**SB 1979 (Robbins): CA Health Insurance Guarantee Association  
Chapter 1246**

This bill establishes the CA Health Insurance Guarantee Association for paying insurance claims of individuals displaced by insolvent life and disability insurance companies.

**AB 4076 (Johnston): Insurance Guaranty Fund  
Chapter 1356**

This bill establishes a life insurance guaranty fund to protect policyholders and beneficiaries from losing their money when an insurance company goes bankrupt.

**SB 2396 (Roberti): Insurance Companies: Political Contributions  
Died on As. Inactive File on 8/31**

This bill would prohibit insurance companies from passing along the cost of political contributions to consumers and would require insurers to list political contributions when requesting rate changes.

**SB 2569 (Rosenthal): Insurance: consumer complaints  
Chapter 1375**

This bill requires the Department of Insurance to establish a program to investigate consumer complaints and to pursue disciplinary actions against insurers.

**SB 2682 (Hart): Insurance: Family Day Care Homes  
Vetoed**

This bill would have required insurers which issue both commercial and homeowner's insurance to also offer liability coverage for licensed family day care homes. The Gov. vetoed for two reasons: 1) the bill would have required some insurers to make available a type of insurance they have never transacted before, and 2) recent findings by the Dept. of Insurance show that such coverage is extensively available in the private market and through the CAL-CARE market assistance program.

**SB 2787 (Robbins): Financial Responsibility**

## **Chapter 888**

This bill increases the fines for violating the Vehicle Code Section relating to proof of financial responsibility.

### **Automobile Insurance Reform:**

In January of this year, the Governor stated his intent to work with the Speaker to develop a practical and affordable basic policy for motorists who are now unable to secure or afford even minimal coverage. To that end negotiations took place this year, right up until the closing weeks of the Session, on several bills dealing with automobile insurance reform. However, since agreement could not be reached between the authors, the Speaker's Office and the Governor's Office, the three bills under discussion died in the Senate Judiciary Committee. They were as follows:

. **AB 2650 (Peace)**--a follow-up bill to the Speaker's bill last year (AB 2315) which was vetoed. This bill would have generally retained the liability systems but would limit insurance coverage for general (pain and suffering) damages to cases involving "serious injury". The bill also contained provisions relating to Royal Globe.

. **SB 2299 (Davis)** which would have provided owners of private passenger automobiles with a choice between purchasing a "no-fault" compensation insurance policy or a liability insurance policy in order to satisfy the state's mandatory automobile insurance law.

. **SB 2851 (Hill)**, labeled a New York no fault proposal, would have modified the tort liability and insurance laws to limit the recovery of non-economic damages in automobile accident cases and implement "no-fault" automobile insurance in California.

### **Earthquake Legislation:**

#### **SB 2902 (Hill): Earthquake Insurance Chapter 1165**

This is the Administration's proposal which will provide an estimated 6.5 million CA homeowners with a first in the nation effective low-cost earthquake insurance. The bill will address an earthquake insurance "gap" through the creation of the CA Residential Earthquake Recovery Act.

Monies for this fund will come from surcharges that the insurers will collect from homeowner insurance policy holders. The fund would then be used to pay earthquake insurance claims and various other necessary expenses. Homeowners would pay a surcharge ranging from \$12 to \$60, and would be eligible for damage payments up to \$15,000 initially, and \$25,000 as the fund grows. SB 2902 takes effect on 1/1/91.

**AB 2627 (Moore): Earthquake Insurance: Deductible  
Chapter 1167**

This bill specifies the required format for the disclosure of the earthquake insurance policy deductible.

**AB 3637 (Farr): Policy Renewals  
Chapter 1364**

This bill prohibits insurers from refusing to renew residential insurance policies solely because the policy holder has accepted an offer of earthquake insurance coverage.

**SB 2596 (Robbins): Earthquake Insurance: Optional Coverage  
Chapter 1166**

This bill requires residential property insurers to offer optional coverage, as specified, for earthquake damage and make specified disclosures to new or renewing policyholders.

**SB 2608 (C. Green): Use of Taxable Revenue Bonds  
Chapter 1169**

This bill requires the Insurance Commissioner to appoint an advisory panel, as specified, to conduct a study regarding the use and effect of taxable revenue bonds on the CA Residential Earthquake Recovery Fund (created by the Hill bill).

**TRANSPORTATION  
Consultant: Lee Bennett**

Most of the significant action on transportation occurred in the 1990 Budget Act which restored all program cuts that had been proposed before the passage of Propositions 108 and 111, and increased overall funding of state transportation programs by

about 7% (\$299 million) above FY 1989-90 levels. State funding for highway programs is 33% (\$470 million) higher than in FY 1989-90 and reimbursements should increase 22% (\$130 million). On the down side, however, federal spending is projected to drop by 34% (\$603 million) leaving overall highway funding at about the same level as in FY 1989-90 (\$3.8 billion). The approved mass transportation program funding is 103% (\$259 million) greater than 1989-90, and the Aeronautics program funding is 23% (\$1.5 million) larger than last year. The Budget also contains \$64 million for Transit Capital Improvement projects.

**Significant Transportation Related Legislation:**

**AB 1109 (Katz): Part of the Budget package  
Chapter 453**

Instituted a new \$300 per vehicle fee for cars that are registered in CA after being registered in another state. The justification for this new assessment is that these vehicles are expected to have some impact on CA's air quality. A clean-up bill to AB 1109 was recently signed by the Governor. That bill, **AB 2561 (Katz, Chapter 1362)**--an urgency measure--would accelerate the implementation date of the vehicle smog impact fee authorized by AB 1109 and would further define the type of vehicles that would be subject to that fee.

**AB 1145 (Sher): 21 PVEA Funded Transportation Projects  
Chapter 1648**

This bill would appropriate \$7.4 million in Petroleum Violation Escrow Account funds to the CA Energy Commission to be allocated for 21 specified transportation projects throughout the state.

**AB 1791 (Katz): Congestion Management Plans  
Chapter 16**

Signed earlier this year, AB 1791 allows local governments greater flexibility in developing and adopting congestion management plans required by legislation approved last year (AB 471). The congestion management plans are intended to reduce additional traffic congestion and air quality degradation resulting from development in urbanized areas.

**AB 3097 (Leslie): Diesel Bus Exhaust**

## **Chapter 895**

This bill prohibits diesel buses from being operated on the highways unless the exhaust system is designed to discharge upward above the passenger compartment, at the rear of the bus, beginning with new buses built for the 1993 model year.

## **AB 3636 (Katz): School Bus Drivers: Sex Offenses Chapter 741**

This bill allows the DMV to temporarily suspend or withhold issuance of a school bus driver's certificate if the holder/applicant is charged with or arrested for a sex offense.

## **AB 4114 (Clute): Abandoned Vehicles Chapter 1684**

This bill authorizes each county to establish an abandoned vehicle abatement authority and finance this abatement through imposition of a \$1 annual fee on all vehicles registered in the county.

## **ACA 32 (Costa): Acquisition of Rail Rolling Stock Res. Chapter 55**

This measure would authorize the use of Article XIX guideway funds for acquisition of rail cars and locomotives for use on mass transit guideways, subject to approval of the voters. Buses are excluded.

## **SB 196 (Killea): Transportation Projects: Short-Term Financing Chapter 1328**

This bill provides for the issuance of short-term financing instruments to finance seismic safety retrofits or to mitigate the delays in the construction or acquisition of projects in the 1988 State Transportation Improvement Program (STIP).

## **SB 856 (Robbins): Intercity Passenger Rail Projects Chapter 807**

This bill requires that funds for intercity passenger rail projects, appropriated from the Transportation Planning and Development Account, be allocated by the CA Transportation Commission through the Transit Capital Improvement program.

**SB 1742 (L. Greene): Seismic Retrofit  
Chapter 1082**

This urgency measure requires the Director of Transportation to establish a statewide priority list for seismic safety retrofit projects based on bridge assessments prepared by the department and the counties of Los Angeles and Santa Clara.

**SB 1784 (Leonard): Transportation Corridor Lands: Preservation  
Chapter 781**

This bill authorizes funds from the State Highway Account to be used by Caltrans to acquire and preserve land within transportation corridors which would otherwise be lost to public use.

**SB 2139 (Davis): Vehicle Theft: fees  
Chapter 1670**

This bill would authorize county boards of supervisors to raise the annual motor vehicle registration fee by \$1 for the purpose of deterring and prosecuting vehicle theft.

**SB 2259 (Roberti): Air Carriers: gate space  
Vetoed**

This bill would have prohibited public airports from discriminating against air carriers when allocating gate space. The Gov. said the bill would inappropriately limit local control over the assignment of gates while creating a legal cause of action against an airport proprietor for failing to allocate gate access.

**SB 2462 (Seymour): "Black Box": truck safety  
Died in As. Transportation**

Under this legislation, all trucks with more than two axles would have been required to carry the "black box" (similar to that used on commercial airplanes) which automatically records the number of hours a truck driver is on the road and the speed of the truck.

**SB 2592 (Kopp): Transit Capital Improvements**

## **Chapter 1599**

This measure provides that Clean Air and Transportation Act of 1990 (Prop. 116--June Ballot) funds may not be used as local funds to meet the local match requirement of the transportation funding package of 1989 (AB 973, Costa) and Prop. 108. This bill, and the transportation package approved earlier this year, continue the long-standing state policy of requiring local participation in funding commuter and urban rail transit projects.

### **SB 2798 (Beverly): Airport Land Use Plan Vetoed**

This bill would have exempted Los Angeles County from the provisions of existing law which require every county to adopt an extensive airport land use plan. The Gov. said he did not believe the county should be completely exempted from provisions of the Airport Land Use Commission Law which will assist in preserving necessary airport facilities.

## **BONDS**

### **Bond Measures Placed On The November Ballot By The Legislature (10):**

**AB 2755 (Rogers)      Veterans Bond Act of 1990      Prop. 142**

This measure would authorize issuance of \$400 million in state general obligation bonds to finance continuation of a low-cost home-mortgage program for veterans.

**AB 2479 (Nolan)      Higher Education Facilities      Prop. 143  
Bond Act of 1990**

This proposition authorizes issuance of \$450 million in state g.o. bonds to fund construction, rehabilitation and equipping of buildings for CA's public higher education system.

**AB 524 (Murray)      New Prison Construction Bond      Prop. 144  
Act of 1990**



This measure authorizes issuance of \$450 million in state g.o. bonds to fund construction of new state prisons.

**SB 2456 (Maddy)**      **California Housing Bond Act**      **Prop. 145**  
                                 **of 1990**

This measure authorizes issuance of \$125 million in new state g.o. bonds to finance various housing programs. It also changes the allowable uses of \$200 million in state g.o. bonds already approved by the voters, making that money available for subsidized mortgages for first-time homebuyers.

**AB 236 (Clute) School Facilities Bond Act of 1990 Prop. 146**

This measure authorizes issuance of \$800 million in state g.o. bonds to fund construction and rehabilitation of elementary and secondary schools.

**SB 1094 (Presley) County Jail and Juvenile Facility Bond Act of 1990 Prop. 147**

This measure authorizes issuance of \$225 million in state g.o. bonds to fund construction and rehabilitation of county jails and juvenile detention facilities.

AB 1312 (Filante) Water Resources Bond Act of 1990 Prop. 148

Prop. 148 authorizes issuance of \$380 million in state g.o. bonds to fund a variety of water and sewer projects.

AB 2180 (W. Brown) County Courthouse Bond Act of 1990 Prop. 150

Prop. 150 authorizes the issuance of \$200 million in state g.o. bonds to fund construction and rehabilitation of county courthouse facilities.

AB 3145 (Costa) CA Park, Recreation, and Wild- Prop. 149  
life Enhancement Act of 1990

